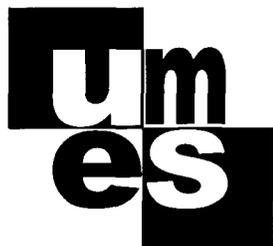


**17th
ANNUAL
REPORT
2014**



USHA MARTIN EDUCATION & SOLUTIONS LIMITED

17th ANNUAL REPORT 2014

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CORPORATE INFORMATION

Chairman

Shri Prashant Jhawar

Vice-Chairman

Shri Rajeev Jhawar

Directors

Shri Subrata Kumar Mitra

Shri Rameshwar Pal Agrawal

Shri Shiva Kumar Barasia

Shri Trivikram Khaitan

Shri Rahul Choudhary

Shri Debjit Bhattacharya - Whole-time Director

Company Secretary

Dr. R. N. Chakraborty

Bankers

IDBI Bank Ltd.

IndusInd Bank Ltd.

Axis Bank Ltd.

Auditors

M/s. S. Swarup & Co.

21, Hemanta Basu Sarani, 3rd Floor,

Room No. 303, Kolkata - 700 001

Registered Office

CIN : L31300WB1997PLC085210

PS Srijan Techpark, 4th Floor, DN - 52

Sector-V, Salt Lake City, Kolkata - 700 091

Tel. : +91 33 4013 4700, Fax : 91 33 4013 4800

Website : www.umesl.co.in

E-mail : ranendranath.chakraborty@umesl.co.in

Registered Transfer Agent

MCS Limited

77/2A, Hazra Road, Kolkata - 700 029

Ph. : 033 2454 1892-93, Fax : 033 2454 1961

E-mail : mcskol@rediffmail.com

Website : www.mcsdel.com

DIRECTORS' REPORT TO THE MEMBERS

Your Directors have pleasure in presenting the 17th Annual Report, together with the Audited Statement of Accounts of the Company for the financial year ended 31st March, 2014.

Financial Results:

(Rs. in Lakhs)

Particulars	Standalone		Consolidated	
	Year ended 31.3.2014	Year ended 31.3.2013	Year ended 31.3.2014	Year ended 31.3.2013
Gross Income	564.24	1199.28	662.48	1560.99
Gross Profit/(loss) before Finance Cost and Depreciation	(14.43)	118.14	24.26	131.71
Less: Finance Cost	13.42	11.04	13.42	11.04
Less: Depreciation	27.71	64.08	29.36	72.48
Profit/(loss) for the year	(55.56)	43.02	(18.52)	48.20
Less Provision for Tax (Net)	---	8.25	5.03	9.25
Profit/(loss) After Tax	(55.56)	34.78	(23.55)	38.95
Transfer to Reserves and Surplus	(55.56)	34.78	(23.55)	38.95

Financial Review

During the Financial Year ended 31st March 2014, your company recorded standalone revenue of Rs. 564.24 Lakhs, considerably lower as compared to the previous financial year. Consolidated revenue for the current financial year is Rs. 662.48 Lakhs, which also follows the same trend. Standalone loss after Tax stood at Rs. 55.56 Lakhs, whereas Consolidated Loss after tax stood at Rs. 23.55 Lakhs. Ratio analysis and future outlook of the Company has been included in Management Discussion and Analysis section.

Dividend

Your Directors do not recommend any dividend for the current financial year.

Reserve and Surplus

The balance of Reserves and Surplus, as at 31st March, 2014 stands at Rs. 1825.58 Lakhs after making the appropriations indicated above.

Subsidiary

As you are aware that during the financial year 2013-14, the wholly owned subsidiary of the Company, namely Usha Martin Education Private Limited ("UMEPL") has changed its business model to licensing and consultancy and sold off its school management business 'as a going concern' to Usha Breco Education Infrastructure Limited, a Company formed for the sole purpose of School Management Solutions. The sale was done on consideration as the Board of Directors' of UMEPL deemed appropriate on the basis of independent valuation undertaken by a firm of Chartered Accountants. However, UMEPL is continuing to own its' Usha Martin School Brands and earning license fees by licensing the said brands to various Usha Martin Schools.

The Company has obtained exemption from annexing accounts and other documents pertaining to subsidiary, under Section 212(8), through the general approval from Ministry of Corporate Affairs, Government of India, vide their letter no. 47/07/2011-CL-III dated 20th January 2011. However, the financial statements of the subsidiary company (i.e., UMEPL) and other detailed information will be made available to the members seeking such information at any point of time. The annual accounts of the subsidiary company will also be available for inspection at the Registered Office of the Company as well as at the Registered Office of the subsidiary.

Consolidated Financial Statements

The Audited Consolidated Financial Statements based on the Financial Statements received from subsidiary company, as approved by its Board of Directors, have been prepared in accordance with the Accounting Standard 21 (AS-21) - Consolidated Financial Statements as notified under Section 211 (3C) of the Companies Act, 1956 read with Companies (Accounting Standards) Rules, 2006 as applicable. Further, the Consolidated Financial Statements are also presented in accordance with Clause 41 of the Listing Agreement entered into with the Stock Exchanges where the shares of the company are listed.

Public Deposit

The Company has not accepted any deposit within the meaning of Section 58A of the Companies Act, 1956 and the rules made there under.

Directors

Shri Rajeev Jhawar and Shri Rameshwar Pal Agrawal are retiring by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment. As per the newly enacted Companies Act, 2013 the company proposes to appoint Mr. Rameshwar Pal Agrawal as Independent Director for a fixed term of 3 years effective from this Annual General Meeting.

During the year, Sir Stephen Waley-Cohen Bt., expressed his desire to step down from the Directorship, due to his other pressing commitments. Your Board of Directors' with great reluctance accepted his offer of resignation. However, the Board placed their great appreciation on record for the immensely valuable contribution made by Sir Stephen during his tenure as a Director.

None of the Directors are disqualified under Section 274 (1) (g) of the Companies Act, 1956 and under recently enacted Section 149 of Companies Act, 2013. As required by law, this position is also reflected in the Auditors' Report.

Corporate Governance

Your Company recognizes the importance of good Corporate Governance in building stakeholders' confidence, improving investor protection and enhancing long-term enterprise value. A report on Corporate Governance is annexed.

Management Discussion and Analysis

As provided in Clause 49 of the Listing Agreement with the Stock Exchanges, where the shares of your Company are listed, a management discussion and analysis on the operations and financial position of the Company is provided in a separate section.

CEO / CFO Certification

The Chairman and Whole-time Director of the Company have submitted a certificate to the Board as required under Clause 49 of the Listing Agreement for the year ended 31st March 2014.

Directors' Responsibility Statement

Pursuant to the requirement under Section 217(2AA) of the Companies Act, 1956, the Directors confirm:

- (i) That in preparation of the accounts for the financial year ended 31st March 2014, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- (ii) That the Directors have selected such accounting policies and applied them consistently and made judgment and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for the year under review;
- (iii) That the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) That the Directors have prepared the accounts for the financial year ended 31st March 2014 on a 'going concern' basis.

Auditors

M/s S. Swarup & Co., Chartered Accountants, have communicated their willingness to act as the auditors of the Company subject to necessary approval at the forthcoming Annual General Meeting pursuant to Companies Act and the Board recommended their appointment.

Human Resources

At your Company, the management believes and affirms the importance of development of human resources, which is most valuable and key element in bringing all round improvement and achieving growth of the business. We are proud to have a successful relationship philosophy at all level, which focuses on finding solutions through dialogue in a spirit of open work culture and constructive team work. This has enabled us to maintain a cordial and peaceful work environment throughout.

In addition to a core group of experienced professionals who have remained with the organization for years, fresh professionals in various disciplines were also inducted. For enhancement of professional capabilities, employees were exposed to various training program both in-house as well as by reputed training institutions.

The particulars required to be furnished under provisions of Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975, are not applicable to the Company, as none of the employees of your Company draws a salary above the limit as specified in the said Rule.

Energy, Technology and Foreign Exchange Earning and Outgo

The nature of the Company's business does not require involving any type of energy consumption or adaptation of any technology.

The particulars required to be furnished under Section 217 (1) (e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988:

- (i) Part A and B pertaining to conservation of energy and technology absorption are not applicable to the Company.
- (ii) Foreign Exchange earnings and outgo are as under:

Earnings	:	NIL
Outgo	:	Rs. 2.14 Lakhs

Environment

Though the Company's operations are not inherently polluting in nature, the Company continues to take adequate precautions to comply with all regulatory measures in this regard at all the educational premises and sites, so that no harm would cause to the society and the nature at a large.

Declaration on compliance with code of conducts

The Board has formulated a Code of Conducts for the Board Members and Senior Management of the Company, which has been posted on the website of the Company.

It is hereby affirmed that all the Directors and Senior Management Personnel have complied with the Code and a confirmation to that effect has been obtained from the Directors and the Senior Management.

Compliance Certificate

A Certificate from the Statutory Auditors of the Company regarding compliance of conditions of Corporate Governance as stipulated under Clause 49 of the Listing Agreement is attached to this Report.

Acknowledgements

Your Directors would like to express their sincere appreciation of the co-operation and assistance received from shareholders, customers, vendors, bankers and other business constituents for their support during the year under review. Your Directors also wish to place on records their deep sense of appreciation for the commitment displayed by all employees during the year.

Place: Kolkata

Date: May 28, 2014

On behalf of the Board of Directors

Prashant Jhawar
Chairman

Debjit Bhattacharya
Whole-time Director

MANAGEMENT DISCUSSION AND ANALYSIS

The impact of both domestic and international factors ensured the continued downtrend in the Indian Economy during the year under review. Various reports are projecting a sub 5% GDP growth, one of the lowest in the past decade. Though there are indications of the economy turning the bend, the results are not visible yet. This scenario was further compounded by Regulatory issues in the Education Sector, directly impacting our line of business. The impact was over the entire higher education system, it was felt more in the Distance Education sector, our mainstay.

The key ratios for the financial year are as follows:

Particulars	Year ended 31.3.2014	Year ended 31.3.2013
Profitability Ratio:	%	%
EBITDA/ Net Sales	-3	10
PBT/ Sales	-10	4
PAT/ Sales	-10	3

*Based on Standalone figures.

Industry Overview :

[Sources: Extract from 12TH Five Year Plan, www.researchandmarkets.com, www.ibef.org, www.business-standard.com; Company internal research; etc.]

Skill development is critical for achieving faster, sustainable and inclusive growth on the one hand and for providing decent employment opportunities to the growing young population on the other. The demographic window of opportunity available to India would make India the skill capital of world. India would be in position to meet the requirement of technically trained manpower not only for its growing economy but also of the aging advanced economies of the world. Boston Consultancy Group's study in 2007 had clearly indicated that by 2020 while India will have surplus of 56 million working people, the rest of the world will encounter a shortage of 47 million working people.

India Ratings, a Fitch Group Company, expects the Indian education sector's market size to increase to Rs 602,410 crore (\$109.84 billion) by FY15 due to the expected strong demand for quality education. Indian education sector's market size in FY12 is estimated to be Rs 341,180 crore. The sector grew at a compounded annual growth rate(CAGR) of 16.5% during FY05-FY12. The higher education (HE) segment was at 34.04% (\$17.02billion) of the total size in FY10 and grew by a CAGR of 18.13% during FY04-FY10. India Ratings said that it has a stable outlook on the Indian education sector which includes both school and higher education. Despite a high demand for education within India, India Ratings has concerns of the sector. In 2012, the sector faced liquidity issues due to a fall in enrolment growth and delays in HE students' fee reimbursements by a few state governments.

"Some segments in the education sector face enrolment slowdown due to macro-economic factors, lack of industry appeal and employability issues. Management institutes with less or no industry association witness low enrolment and revenues leading to loan defaults or closures. India Ratings does not expect enrolments for these entities to rebound in the short term," said the report.

In India, Private professional institutes are expanding with a strong growth rate which has opened the doors for foreign universities. Also there is an opportunity in the test preparation market in India, though institutes are expanding with a continuous growth rate but still there is high potential of growth. The Gross Enrolment Ratio (GER) in higher education in India (per cent of relevant age group enrolled in higher education) is estimated at 11%. In comparison, enrolment's levels are 60% in the US and 16% in China. The data shows that the sector is in a stage of early growth and there is an ample scope to explore for quality players.

Company Outlook & Strategy

The prevailing Economic Scenario and the transitional phase of the Education Sector, has forced us to critically evaluate our long term business strategy.

The uncertainty in the Distance Education sector and other Regulatory issues plaguing the Higher Education segment are affecting our business and also impacting quality of delivery, which is core to our values.

Considering the current scenario, your company is looking at new ventures both within India and outside, to increase shareholder value. A new initiative is being taken to formulate and provide Maths tutorials & Data Science training for the UK market in association with local partner/service provider. The pilot is in progress at this point and delivery is planned to start within the next financial year i.e 2014-15.

At the same time your company also plans to increasingly support the establishment of the Usha Martin University, Jharkhand, which is now a reality.

Our shareholders will be pleased to note that the State Government of Jharkhand vide its Notification dated 16th July, 2013, accorded sanction for the establishment of Usha Martin University, Jharkhand with effect from the date of publication of the Notification in the Gazette, i.e. 18th July, 2013.

Business Review

Learning Business Segment

The Company is continuing its major focus in the undergraduate segment. During the current year under review, your company has successfully trained and provided placement assistance to over 50% of the students enrolled in its various study centres.

The wholly owned subsidiary of the Company, namely Usha Martin Education Private Limited ("UMEPL") has changed its business model to licensing and consultancy and sold off its school management business 'as a going concern' to Usha Breco Education Infrastructure Limited, a Company formed for the sole purpose of School Management Solutions. The sale was done on consideration as the Board of Directors' of UMEPL deemed appropriate on the basis of independent valuation undertaken by a firm of Chartered Accountants.

However, UMEPL is continuing to own its' Usha Martin School Brands and earning license fees by licensing the said brands to various Usha Martin Schools.

Opportunities and threats

India sits at the forefront of the new economic paradigm. It is poised to develop into one of the top 5 economies of the world in the next 2 decades. One of the main reasons behind the Indian economic growth emerges from its demographic profile. The emerging demographic dynamics of the country ensures that it will have one of the youngest populations in the world.

There is opportunities in development of institutes; content, curriculum and pedagogy support; training of trainers to improve the quality of training-delivery; setting up world-class training institutes; certification, accreditation and testing.

However, success is anything but guaranteed. The global recessionary situation, if sustained can reduce the employment opportunity. Another major aspect of higher education is the issue of 'employability'. This shortfall in qualified workforce is further exacerbated when the "employability" lens is applied, which measures whether the educated personnel would have the right skills to be employed.

Further there are normal risk factors of the Governmental policies which pose a deterrent to entry of private players in education business.



Adequacy of Internal Controls

As a trend, the Company continues having an internal control system that is proper and adequate for the size and nature of business of the Company for maintaining accounting cost control and efficiency in operation. The Company ensures that the documented procedures and various methods, developed internally from time to time, are being followed meticulously and are very much effective. The gist of the procedures is as follows:-

- Proper Delegation of power to de-centralise the whole operation for making it more dynamic.
- Preparation of annual budget for targets for business growth which is continuously monitored throughout the year.
- Financial control & approval based on budget allocation.

The Company also has adequate system to ensure that all of its assets are safeguarded and protected against loss from unauthorized use or disposition, and transactions are authorized, recorded, and reported correctly. The internal control system is supplemented by internal audits, review by management, documented policies and procedures.

Human Resources

Human Resource continues to play the key role in the growth and development of your Organization. Given the current outlook and future business strategy, it has inducted experienced senior level as well as middle level management professionals, useful for this sector. The Company, as usual, has maintained cordial relation amongst the employees.

The Board of Directors expresses its deep appreciation for sincere efforts made by the employees of your Company at all levels for the development of its business during the year and their co-operation in maintaining cordial relations.

Cautionary Statements

This document includes certain forward-looking statements. These statements are based on management's current expectations or beliefs, and are subject to uncertainty and changes in circumstances. Actual results may vary materially from those expressed or implied by the statements herein due to changes in economic, business, competitive, technological and/or regulatory factors. The Company is under no obligation to, and expressly disclaims any such obligation to, update or alter its forward-looking statements, whether as a result of new information, future events or otherwise. Readers are cautioned not to place undue reliance on these forward-looking statements that speak only as of their dates. This Report should be read in conjunction with the financial statements included herein and the notes thereto

Place: Kolkata

Date: May 28, 2014

On behalf of the Board of Directors

Prashant Jhavar
Chairman

Debjit Bhattacharya
Whole-time Director

REPORT ON CORPORATE GOVERNANCE

A BRIEF STATEMENT ON COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

Corporate Governance ensures a mechanism of observance which in turn ensures that the Management empowered with the ultimate decision making abilities, is using utmost care and is responsible enough to safeguard the stakeholders' aspirations and expectations. Good governance can be achieved only if it is embedded as part of the corporate culture in the Organisation. Good corporate governance is a continuing exercise and it or the lack of it can have an impact on the entire organization and its business activities as a whole. Hence the Company's activities are carried out in accordance with good corporate practices and are constantly striving to improve upon the same. The Company is always in compliance with all the procedures and stipulations as directed by Companies Act and other statutory legislations and the Listing Agreements.

I. BOARD OF DIRECTORS

➤ Composition

The total strength of your Board of Directors as on 31st March, 2014 is eight members consisting of one Non-Executive Chairman, six Non-Executive Directors and one Executive Director. As on 31st March, 2014, the Board comprised of four independent directors out of total eight members.

None of the Directors on the Board is a Member of more than ten Committees or a Chairman of more than five Committees (as specified under Clause 49(I)(C) (ii) of the Equity Listing Agreement), across all the companies in which he is a Director. All the Directors have furnished a notice of disclosure of interest as specified under Section 299(1) of the Companies Act, 1956. The Company maintains Register of Contracts and details of companies and firms in which Directors are interested as provided under Section 301(1) of the said Act.

Composition of the Board of Directors and their shareholding as on 31st March, 2014

Name	Designation	No. of Outside Directorship Held **	No. of outside committee position held #		No. of Equity Shares in the company
			Member	Chairman	
Shri. Prashant Jhwar	Chairman/Non-Executive/Dependent	6	-	-	134,220
Shri. Rajeev Jhwar	Vice-Chairman/Non- Executive/ Dependent	7	3	-	36,957
Shri. Subrata Kumar Mitra	Non-Executive/ Independent	5	1	-	-
Shri. Rameshwar Pal Agrawal	Non-Executive/ Independent	-	-	-	-
Shri. Shiva Kumar Barasia	Non-Executive/ Dependent	4	2	-	-
Shri. Trivikram Khaitan	Non-Executive/ Independent	-	-	-	-
Shri. Rahul Choudhary	Non-Executive / Independent	-	-	-	-
Shri. Debjit Bhattacharya	Whole-time Director, Executive	-	-	-	16,000

**Excluding foreign companies, private companies and companies under Section 25 of the Companies Act, 1956

Chairmanship and membership of Audit Committee and Shareholder's Grievance Committee is only considered.

Summary of Composition of the Board of Directors

Directors	Number
Dependent, Non-Executive	Three
Independent, Non-Executive	Four
Executive	One

➤ Meeting of the Board of Directors

The dates of the Board Meeting are fixed in advance and accordingly intimation is sent to the Board Members. Senior officials are also invited to attend the meetings to provide clarification as and when required. During the year under review, 4(four) Board meetings were held.

The dates on which the Board Meetings were held are as follows: 7th May, 2013, 1st August, 2013, 5th November, 2013 and 27th January, 2014.

Attendance of the Directors at the Meeting of the Board and at the last AGM

Director	Board Meetings Attended	Attendance in Last AGM
Shri Prashant Jhawar	4	Yes
Shri Rajeev Jhawar	2	No
Sir Stephen Harry Waley Cohen Bt.	1*	No
Shri Subrata Kumar Mitra	3	No
Shri Rameshwar Pal Agrawal	3	Yes
Shri Shiva Kumar Barasia	4	Yes
Shri Trivikram Khaitan	4	Yes
Shri Rahul Choudhary	4	Yes
Shri Debit Bhattacharya	4	Yes

* Sir Stephen Harry Waley Cohen Bt. resigned from the directorship of the Company with effect from 1st August, 2013.

➤ **Functioning and responsibilities of Board of Directors**

The Board of Directors plays the primary role in ensuring good corporate governance and functioning of the Company. All statutory and other significant and material information including information mentioned in Annexure IA of the Equity Listing Agreement is placed before the Board to enable it to discharge its responsibilities of strategic supervision of the Company as trustees of the members. The Company has an effective post-meeting follow-up mechanism in place. Action Taken Report on decisions taken at previous meetings of the Board is reviewed at the subsequent meeting of the Board.

➤ **Compliance with Laws**

Pursuant to Clause 49 of the Equity Listing Agreement, the Board periodically reviews compliance report on all laws applicable to the Company, as prepared by the Company. There has been no non-compliance in this respect.

➤ **Code of Conduct**

The Company maintains a well-defined Code of Conduct for Board Members and Senior Executive of the Management, and the same has been circulated to all concerned and is also hosted on the website of the Company. As per clause 49 of the Equity Listing Agreement, the Board Members and Senior Executives of the Management have given their declarations confirming compliance of the provisions of the above Code of Conduct.

II. AUDIT COMMITTEE

➤ **Constitution of Audit Committee**

The Audit Committee has been constituted in line with the provisions of Clause 49(II) of the Equity Listing Agreement and also meets the requirement of Section 292A of the Companies Act, 1956. The members of the Committee are financial experts.

The members of Audit Committee as on 31st March 2014 are as follows:

Name	Designation
Shri Rahul Choudhary	Chairman/Independent/Non-executive
Shri Shiva Kumar Barasia	Member/Dependent/ Non-executive
Shri Trivikram Khaitan	Member/Independent/Non-executive

The Company Secretary acts as the Secretary to the committee.

➤ **Terms of Reference for Audit Committee**

The Terms of Reference of Audit Committee include the power as laid out in Clause 49 II (C) of the Equity Listing Agreement and role as stipulated in Clause 49 II (D) of the Equity Listing Agreement which inter alia includes the following:

1. To review the scope of audit (including the audit report) and any management letters issued by the statutory auditors.

2. To oversee the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
3. To review before submission to the Board the quarterly, half yearly and annual financial statements, Management Discussion and Analysis and significant Related Party Transactions.
4. To review adequacy of internal control system and ensure compliance with the same including holding of discussions regarding internal control system.
5. To review performance of the statutory and internal auditors and to recommend the appointment, re-appointment, replacement or removal of the statutory auditors, the fixation of audit fees; and approval of payment to statutory auditors for any other services rendered.
6. To review the adequacy and the structure of the internal audit function, staffing, reporting structure and frequency of internal audit including appointment, removal and terms of remuneration of the Chief Internal Auditor.
7. To review the applications of the funds raised through issue of shares.
8. To look into the reasons for substantial defaults, if any, in the payment to the investors and creditors.
9. To review Corporate Governance and other compliances.
10. To review any internal investigation reports and the functioning of the Whistle Blower mechanism, in case the same is existing.
11. To implement and monitor requirements as set out in Rules on Prevention of Insider Trading.
12. Any other functions as may be delegated by the Board.

Apart from the Annual Accounts, the Audit Committee had also reviewed the Un-audited quarterly financial results and internal audit report of the Company during the year.

➤ Meeting of the Audit Committee

The dates of the Audit Committee Meeting are fixed in advance and accordingly intimation is sent to the Audit Committee Members. During the year under review, 4 (four) Audit Committee Meetings were held on 7th May, 2013, 1st August 2013, 5th November, 2013 and 27th January, 2014.

Director	Audit Committee Meetings attended
Shri Rahul Choudhary	4
Shri Shiva Kumar Barasia	3
Shri Trivikram Khaitan	4

The Chairman of the Audit Committee has attended the last Annual General Meeting held on 1st August, 2013.

III. REMUNERATION COMMITTEE (NON MANDATORY)

➤ Constitution of Remuneration Committee

The Company has a duly constituted Remuneration Committee. As on 31st March 2014, the Committee comprises of following members:

Name	Designation
Shri Rahul Chaudhary	Member/Independent/Non-Executive
Shri Trivikram Khaitan	Member/Independent/Non-Executive
Shri Rajeev Jhavar	Member/Dependent/ Non-Executive
Shri Shiva Kumar Barasia	Member/Dependent/ Non-Executive

The Company Secretary acts as Secretary of the Committee.

Terms of Reference of Remuneration Committee

The Terms of Reference of the Committee are as follows:

- 1) To determine and recommend the remuneration package (including pension rights and compensation) and terms of reference of Executive Directors.
- 2) To review performance of Executive Directors.

➤ **Meeting of the Remuneration Committee**

During the financial year ended 31st March 2014, Remuneration Committee need not required to hold any meeting.

➤ **Details of Remuneration paid to all Directors**

● **Executive Directors**

The remuneration of Whole-time Director is recommended by the Remuneration Committee to the Board of Directors for its necessary consideration and approval. The remuneration of the Executive Director is also approved by the members at the General Meeting of the Company.

Executive Director	Relationship with other directors	Business relationship with the company	All elements of remuneration package	Fixed components and performance linked incentives	Service contracts notice period	Stock options details, if any
Shri. Debjit Bhattacharya	None	Whole-time Director	Pl. see note below	Pl. see note below	Pl. see note below	Pl. see note below

Notes:

- a) Details as per Note 5 to the Notes on Accounts;
- b) The appointment is subject to termination by 3 months' notice in writing from either side;
- c) The Company does not have any scheme for grant of stock options to its Directors and Employees.

● **Non-Executive Directors**

Directors	Sitting Fees paid (Rs)	
	Board Meeting	Audit Committee Meeting
Shri Prashant Jhavar	8,000	NA
Shri Rajeev Jhavar	4,000	NA
Sir Stephen Harry Waley Cohen Bt.	2,000	NA
Shri Subrata Kumar Mitra	6,000	NA
Shri Rameshwar Pal Agrawal	6,000	NA
Shri Shiva Kumar Barasia	8,000	6000
Shri Trivikram Khaitan	8,000	8000
Shri Rahul Choudhary	8,000	8000

The Non-Executive Directors of the Company are also eligible for commission for any financial year as per the Articles of Association of the Company, if approved by the Board. The Non-Executive Directors were not paid any commission or any other remuneration during the financial year under review.

IV. SHAREHOLDERS & INVESTORS GRIEVANCE COMMITTEE

The said Committee was formed on 30th October, 2000. The Committee in consultation with the secretarial department of the Company examines the grievance of members/investors and the system of redressal of the same.

➤ Constitution of Shareholders & Investors Grievance Committee

The Shareholders & Investors Grievance Committee comprises of following members as on 31st March 2014:

Name	Designation
Shri Rajeev Jhavar	Chairman/Dependent/Non-Executive
Shri Subrata Kumar Mitra	Member/Independent/Non-Executive
Shri Debjit Bhattacharya	Member/Whole-time Director/ Executive

The Company Secretary acts as the Compliance Officer in the meetings of the committee.

➤ Terms of Reference of the Committee

The Terms of Reference of the Committee are as follows:

- 1) To approve transfer/transmission of shares, issue new certificates against lost, defaced, mutilated, consolidations, subdivision etc.
- 2) To look into the redressing of shareholder complaints like transfer of shares, non-receipt of balance sheet, non-receipts of declared dividends etc.
- 3) To uphold the basic rights to transfer and registration of shares, redressal of complaints, obtaining relevant information of the Company on a timely basis.

Status of complaints for the period from 01-04-2013 to 31-03-2014

Complaints pending as on 1st April, 2013	-
Number of complaints received	8
Number of complaints attended to/resolved	8
Complaints pending as on 31st March, 2014	-
Number of share transfer pending for approval as on 31st March, 2014	-

➤ Meeting of the Shareholders & Investors Grievance Committee

During the year under review, 7 (Seven) Shareholders & Investors Grievance Committee Meetings were held on 3rd April, 2013, 7th May, 2013, 24th June, 2013, 1st August 2013, 13th September, 2013, 9th November, 2013 and 27th January, 2014.

Director	Shareholders & Investors Grievance Meetings attended
Shri Rajeev Jhavar	7
Shri Subrata Kumar Mitra	2
Shri Debjit Bhattacharya	7

V. GENERAL BODY MEETINGS

Particulars of Annual General Meetings (AGM) held during the three previous years

Date	Venue	Special Resolutions Passed
1st August, 2013 at 2:30 P.M	Shripati Singhania Hall, Rotary Sadan 94/2, J.N Road, Kolkata-700020	None
1st August, 2012 at 2:30 P.M	Shripati Singhania Hall, Rotary Sadan 94/2, J.N Road, Kolkata-700020	None
28th July, 2011 at 3:30 P.M	Shripati Singhania Hall, Rotary Sadan 94/2, J.N Road, Kolkata-700020	None

VI. COMPLIANCE WITH OTHER MANDATORY REQUIREMENTS

➤ Management Discussion and Analysis Report

A Management Discussion and Analysis report forms part of the Annual Report and includes discussion on various matters specified under clause 49(IV)(F) of the Equity Listing Agreement.

➤ Subsidiaries

The Company has a subsidiary under the name and style of "Usha Martin Education Private Limited" which is non-listed Indian Subsidiary as per clause 49 III (i) of the Equity Listing Agreement. An Independent Director of the Company is appointed as one of the Director of subsidiary company. The minutes of proceedings of meetings of the Board of Directors of subsidiary companies are placed before the Board of Directors of the Company and attention of the directors is drawn to significant transactions and arrangements entered into by the subsidiary company.

VII. DISCLOSURES

➤ Materially significant related party transactions

There were no materially significant related party transactions (i.e. transactions of the Company of material nature) made by the Company with its Promoters, Directors or Management, their subsidiaries or relatives etc. that may have potential conflict with the interests of the Company at large.

Transactions with the related parties are disclosed in the Notes to the Accounts.

➤ Details of Non-compliance during the last three year

During the last three years, there were no strictures or penalties imposed on the Company by either SEBI or the Stock Exchanges or any statutory authority for non-compliance of any matter relating to Capital Market.

➤ Disclosure of Accounting treatment

The financial statements are prepared on accrual basis of accounting and in accordance with the applicable Accounting Standards issued by the Institute of Chartered Accountants of India from time to time, Indian GAAP, provisions of the Companies Act, 1956 and comply in material aspects with the accounting standards notified under Section 211(3C) of the Companies Act, 1956 read with the Companies (Accounting Standard) Rules, 2006.

➤ **CEO/CFO Certification**

As required by Clause 49 (M) (B) of the Equity Listing Agreement, the management has given a declaration to the Board that they have no personal interest in any material, commercial and financial transactions that may have potential conflict with the interest of the Company at large.

➤ **Reconciliation of Share Capital Audit**

A qualified practicing Company Secretary carried out a Reconciliation of Share Capital Audit to reconcile the total admitted capital with National Securities Depository Ltd (NSDL) and Central Depository Services Ltd (CDSL) with the total issued paid-up and listed capital. The Reconciliation of Share Capital Audit Report confirms the total issued/paid-up capital is in agreement with the total number of share in physical and dematerialized form.

Non Mandatory Conditions

➤ **The Board**

The Board decided to maintain the office of Chairman and Vice-Chairman. Shri Prashant Jhawar and Shri Rajeev Jhawar were appointed/ elected to be the Chairman and Vice-Chairman of the Company, respectively, until otherwise decided.

➤ **Remuneration Committee**

The Company has a Remuneration Committee as reported in paragraph III above.

➤ **Audit Qualification**

There is no audit qualification.

The rest of the Non Mandatory Requirements such as Shareholders' Right, Training of Board Members, Mechanism of evaluating non-executive Board Members and Whistle Blower Policy will be implemented by the Company as and when required and / or deemed necessary by the Board.

VIII. MEANS OF COMMUNICATION

➤ **Financial Results**

The quarterly unaudited financial results of the Company are announced within 45 days of the end of respective quarter and the audited financial results are announced within 60 days of the end of financial year. The results are published in one English Newspaper and a vernacular (Bengali) Newspaper. The results are also promptly forwarded to stock exchanges in which the shares of the Company are listed.

➤ **Press Releases**

Official press releases on performance of the Company, significant corporate decisions/activities, etc., are promptly forwarded to stock exchanges and to the media (both print and electronic mode).

➤ **Website**

The Company's website www.umesl.co.in provides a separate section for the investors where relevant shareholders information is available. The Annual Report of the Company is also available on the website in a user-friendly and downloadable form.

➤ **Annual Report**

Annual Report is circulated to members and others entitled thereto. The Management Discussion and Analysis Report and Corporate Governance Report form a part of the Annual Report.

➤ **Chairman's speech at General Meeting**

Chairman's speech is distributed to the members at the Annual General Meeting. The same is also sent to the stock exchanges for information of members.

VIII. GENERAL SHAREHOLDERS INFORMATION

➤ Date of Incorporation	18th August, 1997	
➤ Corporate Identity Number (CIN)	L31300WB1997PLC085210	
➤ Registered Office	P S Srijan Tech Park, 4th Floor DN - 52, Sector - V, Salt Lake City Kolkata 700 091	
➤ Date, time and Venue of Annual General Meeting	Friday, 1st August, 2014, at 2.30 p.m. at "Shripati Singhania Hall," Rotary Sadan, 94/2, Jawarharlal Nehru Road Kolkata - 700 020	
➤ Financial Calendar (tentative and subject to change)		
● Financial reporting for the first quarter ending June 30, 2014	On or before 14th August, 2014	
● Financial reporting for the second quarter ending September 30, 2014	On or before 15th November, 2014	
● Financial reporting for the third quarter ending December 31, 2014	On or before 15th February, 2015	
● Audited Results for the year ended March 31, 2015	On or before 30th May, 2015	
● Annual General Meeting for the year ended March 31, 2015	On or before 31st October, 2015	
➤ Date of Book Closure	24th July 2014 to 1st August 2014 (Both days inclusive)	
➤ Dividend Payment Date	Not Applicable	
➤ Listing on Stock Exchange and Code Number	Stock Exchange	Scrip Code
● Equity Shares	Bombay Stock Exchange Ltd. Phiroze Jeejeebhoy Towers, Dalal Street Mumbai - 400 001	532398 UMESL
	National Stock Exchange of India Ltd. Exchange Plaza, 5th Floor, Plot No.C/1, G Block, Bandra Kurla Complex Bandra (E) Mumbai - 400 051	UMESLTD
● Global Depository Receipt (GDRs)	Societè de la Bourse de Luxembourg Societe Anonyme, R.C.B.6222 B.P. 165, L-2011 Luxembourg	UMIFG
● Overseas Depository for GDRs	Deutsche Bank Trust Company Americas, 60, Wall Street New York, NY10005 United States	
● Domestic Custodian of GDRs	ICICI Bank Limited Securities Market Services, 1st floor, Empire Complex, Senapati Bapat Marg, Lower Parel, Mumbai - 400 013	

➤ ISIN	Fully paid up equity shares: ISIN INE240C01028 GDRs : US91730W1053
➤ Registrar and Transfer Agents	M/s. MCS Limited 77/2A, Hazra Road, Kolkata - 700 029 Tel : 033- 2454 1892/93,03340724052/53 Fax : 033-2454 1961 Website : www.mcsdel.com E-mail : mcskol@rediffmail.com
	PS. Srijan Tech Park, 4th Floor, DN - 52, Sector V, Salt Lake, Kolkata - 700091 E-mail : ranendranath.chakraborty@umesl.co.in

➤ **Market Price Data****Share price for financial year 2013-14**

Prices in Rs.

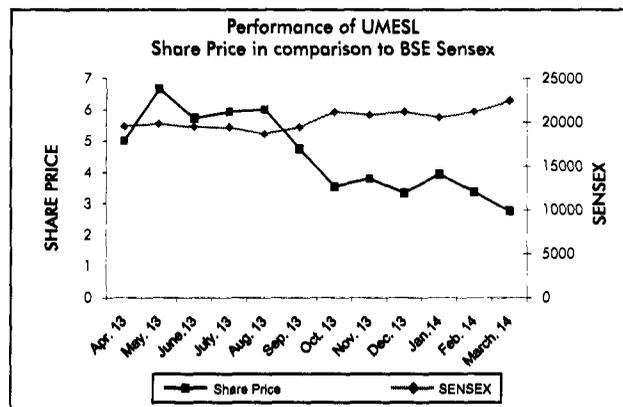
Month	High	Low
Mar'14	3.22	2.76
Feb'14	3.93	3.26
Jan'14	3.67	3.21
Dec'13	3.62	3.34
Nov'13	3.85	3.36
Oct'13	4.70	3.54
Sep'13	6.10	4.75
Aug'13	6.00	5.04
Jul'13	6.23	4.91
Jun'13	6.32	5.71
May'13	7.31	4.99
Apr'13	6.90	4.90

➤ **Distribution of Shareholding as on 31st March, 2014**

Range	No. of Shareholders	Number of Shares
1 - 500	30436	2182681
501 - 1000	1141	964823
1001 - 5000	880	2089365
5001 - 10000	107	826674
10001 & above	117	20352268
Total	32681	26415811

➤ **Performance of Company's Shares vis-à-vis BSE SENSEX**

Comparison of monthly closing price of the Company with monthly closing BSE SENSEX during the period April 2013 to March, 2014 is given below:

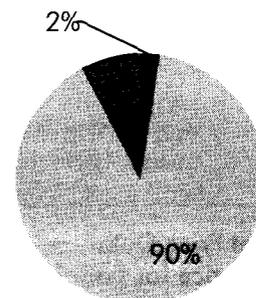


➤ **Dematerialization of Shares and Liquidity as on 31st March, 2014**

The shares of the Company are compulsorily traded in dematerialized form. In order to facilitate the members to dematerialize the shares, the Company has an agreement with NSDL and CDSL. The summarized position of members in physical and Demat segment as on 31st March, 2014 is as under:

Type of shareholding	No. of Shares	Percentage of Shareholding
Physical	618450	2.34
Demat - NSDL	23754324	89.93
Demat - CDSL	2043037	7.73
Total	26415811	100

Physical vis-à-vis Demat shareholding as on 31st March 2014



Percentage of Shareholding

- Physical
- Demat – NSDL
- Demat – CDSL

➤ **Pattern of shareholding as on 31st March, 2014**

Category	No. of shareholders	Percentage of shareholders	No. of shares held	Percentage of shareholding
Promoters Group	20	0.06	11388396	43.11
Mutual Funds//UTI	6	0.02	1634	0.01
Banks/Financial Institutions/Ins/ Govt.	33	0.10	936562	3.54
FIIS/FVC	6	0.02	1562889	5.92
Bodies Corporates	512	1.57	1836838	6.95
Individuals	31958	97.79	8569891	32.44
Others	145	0.44	320146	1.21
GDRs	1	0.00	1799455	6.81
Total	32681	100.00	26415811	100.00

➤ **Share Transfer System**

The Company at its Registered Office or at M/s. MCS Ltd, Registrar and Transfer Agents, Kolkata receives the application for transfers, transmission, sub division and consolidation. As the Company's shares are currently traded in dematerialized form, the transfers are processed and approved in the electronic form by NSDL/CDSL through their depository participants. The Company on a regular basis processes the physical transfers and the certificates are dispatched by the Registrar directly to the transferees. A committee of the members of the Board is also formed to approve the share transfer on a fortnightly basis.

➤ **Outstanding GDRs/ ADRs/ Warrants or any convertible instruments, conversion date and likely impact on equity.**

As on 31st March, 2014, there are 1,799,455 outstanding GDRs each representing one equity share of the Company.

INDEPENDENT AUDITOR'S REPORT

To the Members of USHA MARTIN EDUCATION & SOLUTIONS LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of USHA MARTIN EDUCATION & SOLUTIONS LIMITED which comprises the balance sheet as at 31st March 2014, the Statement of Profit and Loss and Cash Flow of the Company for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position and financial performance of the Company in accordance with the Accounting Standards notified under the Companies Act, 1956 "the Act" read with the General Circular 15/2013 dated 13th September 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013 and in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2014;
- (ii) in the case of the Statement of Profit and Loss, of the Loss for the year ended on that date; and
- (iii) in the case of Cash Flow Statement, of cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that :
 - a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b) in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;

- c) the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
- d) in our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the Accounting Standards notified under the Companies Act, 1956 "the Act" read with the General Circular 15/2013 dated 13th September 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013;
- e) on the basis of written representations received from the Directors as on March 31st, 2014, and taken on record by the Board of Directors, none of the Directors is disqualified as on March 31st, 2014, from being appointed as a Director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956; and
- f) Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

For S. Swarup & Co.
Chartered Accountants
Firm's Registration No. 310089E
S. S. GUPTA
Proprietor
Membership No. 17897

Place : Kolkata
Dated : 28-05-2014

ANNEXURE TO THE AUDITORS' REPORT

(This is the Annexure referred to in our Report of even date)

In terms of the information and explanations given to us and the books and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state as under:

- (i) (a) The company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
(b) All fixed assets were physically verified by the management during the year. As informed no material discrepancies were noticed on such verification.
(c) There was disposal of fixed assets during the year, however the same has not affected the company as a going concern.
- (ii) The nature of company's activities during the year have been such that clause 4(ii) of the Order is not applicable.
- (iii) As the company has neither granted nor taken any loans, secured or unsecured to/from companies, firms or other parties covered in the register maintained under sec.301 of the Companies Act, 1956 so clause 4(iii) of the Order is not applicable.
- (iv) In our opinion and according to the information and explanations given to us, it appears that there are adequate internal control procedures commensurate with the size of the company and nature of its business for the purchase of fixed assets and for the sale of services. In our opinion there is no continuing failure to correct major weaknesses in internal control system.
- (v) According to the information and explanations provided by the management, the company has entered therein the contracts or arrangements that need to be entered into the register maintained u/s.301 of the Companies Act, 1956. All such transactions have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.

- (vi) The company has not accepted any deposits from the public.
- (vii) The company has an internal audit system commensurate with its size and nature of its business.
- (viii) The clause relating to maintenance of cost records under section 209(1)(d) of the Companies Act, 1956 is not applicable to the company.
- (ix) (a) As per records produced before us, the company is generally regular in depositing undisputed statutory dues like Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and Statutory dues to the extent applicable to it with the appropriate authorities and there were no arrears of such dues at the year end which have remained outstanding for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us, there are no disputed dues of Income-Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty or Cess to the extent applicable to it.
- (x) The Company does not have any accumulated loss as at 31st March, 2014. The company has incurred cash losses in the financial year under report, however no cash losses were incurred in the financial year immediately preceding such financial year.
- (xi) Based on our audit procedures and as per the information and explanations given by the management the company has not defaulted in the repayment of dues to any financial institution or banks. No debentures have been issued by the company and as such the question of default on the same does not arise.
- (xii) According to the information and explanations given to us and based on the documents and records produced, the company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion, the company is not a Chit Fund or a Nidhi / Mutual Benefit Fund / Society and therefore the provisions of clause 4(xiii) of the Order are not applicable.
- (xiv) In our opinion, the company is not dealing or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Order are not applicable.
- (xv) According to the information and explanations given to us, the company has not given any guarantee for loans taken by others from banks or financial institutions.
- (xvi) Since no term loans have been raised by the company, clause 4(xvi) of the order is not applicable.
- (xvii) According to the information and explanations given to us and on an overall examination of the Balance Sheet, we find that the company has not utilized funds raised on short term basis for long term investments.
- (xviii) No share capital has been raised by the company during the year and hence the question of making any preferential allotment of shares to parties or companies covered in the register maintained under section 301 of the Companies Act, 1956, does not arise.
- (xix) No debentures have been issued by the company and hence the question of creating securities or charge in respect thereof does not arise.
- (xx) The company has not raised any money through a public issue during the year.
- (xxi) On the basis of our examination and according to the information and explanations given to us, no fraud, on or by the Company, has been noticed or reported during the year.

Place : Kolkata
Date : 28-05-2014

S. Swarup & Co.
Chartered Accountants
Firm Registration No. 310089E
S. S. Gupta
(Proprietor)
Membership No. 17897

Balance Sheet as at 31st March, 2014

(Amount in Rs.)

Particulars	Note no.	As at 31.03.2014	As at 31.03.2013
I EQUITY AND LIABILITIES			
1) Shareholders' Funds			
(a) Share Capital	1	26,415,811	26,415,811
(b) Reserves and Surplus	2	182,558,143	188,114,104
2) Non - Current Liabilities			
(a) Long Term Provisions	3	809,905	1,298,170
3) Current Liabilities			
(a) Short Term Borrowings	4	10,250,122	-
(b) Trade Payables	5	8,305,825	17,082,514
(c) Other Current Liabilities	6	9,885,249	10,938,276
(d) Short Term Provisions	7	7,830,599	7,896,052
TOTAL		246,055,654	251,744,927
II ASSETS			
1) Non - Current Assets			
(a) Fixed Assets			
(i) Tangible Assets	8	25,961,813	30,631,907
(ii) Intangible Assets		33,973	576,039
(b) Non-Current Investments	9	160,500,000	160,500,000
(c) Long Term Loans and Advances	10	2,906,785	7,490,844
(d) Other Non- Current Assets	11	2,144,367	2,028,641
2) Current Assets			
(a) Trade Receivables	12	35,277,906	33,118,012
(b) Cash and Cash equivalents	13	2,006,402	2,442,634
(c) Short Term Loans and Advances	14	17,224,408	14,956,850
TOTAL		246,055,654	251,744,927

Significant Accounting Policies and Notes on Accounts 20

This is the Balance sheet referred to in our report of even date

(S. S. Gupta)

Proprietor

Membership No. 17897

For and on behalf of

S.SWARUP & CO.

Chartered Accountants

Firm Registration No. 310089E

Place : Kolkata

Dated : 28th May, 2014

The notes referred to above form an integral part of Balance Sheet

On behalf of the Board

Prashant Jhawar

Chairman

Debjit Bhattacharya

Whole-time Director

Dr. R. N. Chakraborty

Company Secretary

Statement of Profit and Loss for the year ended 31st March, 2014

Particulars	Note no.	For the Year Ended 31.03.2014	(Amount in Rs.) For the Year Ended 31.03.2013
■ Revenue			
Revenue from Operations	15	55,831,171	119,255,242
Other Income	16	592,535	672,676
II Total Revenue		56,423,706	119,927,918
III Expenses			
Employee Benefit Expense	17	18,921,994	38,790,269
Finance Costs	18	1,342,417	1,103,669
Depreciation and Amortization Expense		2,770,821	6,407,701
Operating and Administrative Expenses	19	38,944,435	69,323,704
IV Total Expenses		61,979,667	115,625,343
V Profit before Tax		(5,555,961)	4,302,575
VI Tax Expense: Current Tax		-	825,000
VII Profit / (Loss) after tax		(5,555,961)	3,477,575
Earnings per Equity Share:			
(1) Basic		(0.21)	0.13
(2) Diluted		(0.21)	0.13

Significant Accounting Policies and Notes on Accounts 20

This is the Statement of Profit & Loss referred to in our report of even date

The notes referred to above form an integral part of Statement of Profit & Loss

(S. S. Gupta)

Proprietor

Membership No. 17897

For and on behalf of

S. SWARUP & CO.

Chartered Accountants

Firm Registration No. 310089E

Place : Kolkata

Dated : 28th May, 2014

On behalf of the Board

Prashant Jhawar

Chairman

Debjit Bhattacharya

Whole-time Director

Dr. R. N. Chakraborty

Company Secretary

Notes forming part of Balance Sheet

NOTE : 1- SHARE CAPITAL
As at 31.03.2014
**(Amount in Rs.)
As at 31.03.2013**
a) Authorised

200,000,000 Equity Shares of Re. 1/- each (Previous year 200,000,000 Equity Shares of Re. 1/- each)	200,000,000	200,000,000
1,000,000 10.75% Cumulative Redeemable Preference Shares of Rs 50/- each	50,000,000	50,000,000
	250,000,000	250,000,000

b) Issued, Subscribed and Paid-up

26,415,811 Equity Shares of Re. 1/- each (Previous year 26,415,811 Equity Shares of Re. 1 each)	26,415,811	26,415,811
	26,415,811	26,415,811

Note:

Paid up capital includes 26,414,411 Equity Shares issued as fully paid-up in terms of the Scheme of Demerger approved by the Hon'ble Calcutta High Court.

- c) There has been no Movement in number of shares outstanding at the beginning and at the end of reporting period.
- d) The Company has only one class of issued shares i.e. ordinary equity shares having par value of Re. 1 per share. Each holder of ordinary shares is entitled to one vote per share and equal right for dividend. No preference and/or restrictions on distribution of dividend and repayment of capital is attached to the above shares.
- e) Shares in the Company held by each shareholder holding more than 5% as on balance sheet date

Name of the shareholders	No. of Equity Shares as on 31.03.2014	% of Equity Shares as on 31.03.2014	No. of Equity Shares as on 31.03.2013	% of Equity Shares as on 31.03.2013
UMIL Share & Stock Broking Services Ltd	3,075,127	11.64	3,075,127	11.64
Peterhouse Investment India Limited	2,968,718	11.24	2,968,718	11.24
Peterhouse Investment Limited	2,388,291	9.04	2,388,291	9.04
Prajeev Investments Limited	2,057,610	7.79	2,057,610	7.79
Deutsche Bank Trust Company Americas	1,799,455	6.81	1,799,455	6.81

- f) There are no shares reserved for issue under option and contracts /commitments for sale of shares /disinvestment as at the Balance Sheet date.
- g) i) No shares have been allotted or has been bought back by the Company during the period of five years preceding the date as at which the Balance Sheet is prepared.
- ii) No convertible securities has been issued by the Company during the year.
- iii) No calls are unpaid by any Director and Officer of the Company during the year.

Notes forming part of Balance Sheet

(Amount in Rs.)

As at 31.03.2014

As at 31.03.2013

NOTE : 2- Reserve and Surplus

Securities Premium Account
As per last Account

120,249	120,249
<u>120,249</u>	<u>120,249</u>

General Reserve Account (see note below)

As per last Balance Sheet
Add: Transferred from Statement of Profit & Loss

187,993,855	184,516,280
(5,555,961)	3,477,575
<u>182,437,894</u>	<u>187,993,855</u>

<u>182,558,143</u>	<u>188,114,104</u>
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Note: General Reserves are free reserve or undistributed profits and created out of appropriation of profits. The reserve is created based on the financial policy of the Company and discretion of the management. The reserve can be utilized for any general purpose of the business which may include, meeting future liability or loss, strengthening the financial position of the business/ expansion of business etc.

NOTE : 3- Long Term Provisions

Provision for Employee benefit

- Gratuity (Funded)	551,486	914,605
- Leave Encashment (Un-funded)	258,419	383,565

<u>809,905</u>	<u>1,298,170</u>
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NOTE : 4- Short Term Borrowings

Secured:

IDBI Overdraft Account 3,750,122 -

(Secured against hypothecation of current and movable fixed assets, both present and future and ranking pari passu with the existing lenders for their loans. Also collaterally secured by Escrow account and lien on Fixed Deposit together with future interest)

Unsecured:

Loans from Corporate Bodies 6,500,000 -

<u>10,250,122</u>	<u>-</u>
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Notes forming part of Balance Sheet

(Amount in Rs.)

As at 31.03.2014

As at 31.03.2013

NOTE : 5- Trade Payables

For Supplies / Services	2,493,837	9,963,812
Accrued Expenses	5,811,988	7,118,702
	8,305,825	17,082,514
	8,305,825	17,082,514

NOTE : 6- Other Current Liabilities

Advance Received from Customers	252,395	143,500
Other Payables		
Statutory Dues	7,153,690	5,064,550
Interest on Unsecured Loan	204,854	-
Capital Goods	144,296	682,010
Employees related liability	2,130,014	5,048,216
	9,885,249	10,938,276
	9,885,249	10,938,276

NOTE : 7- Short Term Provisions

Provisions for Taxation	7,766,560	7,835,532
Provision for Employee benefit		
- Gratuity (Funded)	53,256	47,158
- Leave Encashment (Un-funded)	10,783	13,362
	7,830,599	7,896,052
	7,830,599	7,896,052

Notes forming part of Balance Sheet

Note -8

Fixed Assets (Refer point 1(b) of Note 20)

(Amount in Rs.)

Description	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	Balance as at 31st March, 2013	Additions	Sales/ Adjustments during the year	Balance as at 31st March, 2014	As at 31st March, 2013	Depreciation Charges for the year	Sales/ Adjustments during the year	Balance as at 31st March, 2014	Balance as at 31st March, 2014	Balance as at 31st March, 2013
A. Tangible Assets										
Building	13,472,826	-	-	13,472,826	437,035	219,607	-	656,642	12,816,184	13,035,791
Plant and Equipment	19,893,446	193,227	8,241,611	11,845,062	18,122,608	881,097	8,333,365	10,670,340	1,174,722	1,770,838
Office Equipment	4,701,001	108,645	14,500	4,795,146	1,037,004	278,576	1,098	1,314,482	3,480,664	3,663,997
Furniture & Fixtures	14,733,939	-	3,264,088	11,469,851	3,774,285	703,538	442,525	4,035,298	7,434,553	10,959,654
Vehicles	1,961,064	-	-	1,961,064	759,437	145,937	-	905,374	1,055,690	1,201,627
	54,762,276	301,872	11,520,199	43,543,949	24,130,369	2,228,755	8,776,988	17,582,136	25,961,813	30,631,907
B. Intangible Assets										
Software	3,582,207	-	-	3,582,207	3,006,168	542,066	-	3,548,234	33,973	576,039
	3,582,207	-	-	3,582,207	3,006,168	542,066	-	3,548,234	33,973	576,039
Total (A) + (B)	58,344,483	301,872	11,520,199	47,126,156	27,136,537	2,770,821	8,776,988	21,130,370	25,995,786	31,207,946
Previous Year	61,921,905	3,411,369	6,988,791	58,344,483	25,358,997	6,407,701	4,630,161	27,136,537	31,207,946	

Notes forming part of Balance Sheet

(Amount in Rs.)
As at 31.03.2014 As at 31.03.2013

NOTE : 9- Non Current Investments
Investment in Equity Instruments

Name of the Corporate Body	Subsidiary/ Associate/JV/ Controlled Entity/Others	No. of Shares		Partly Quoted/ Unquoted	Extent of Holding Paid/Fully Paid	Whether		Stated at Cost
		2014	2013			2014	2013	
i) Usha Communications Technology Limited, British Virgin Islands		9,396,097	9,396,097	Unquoted	Fully Paid up			Cost 55,000,000 55,000,000
ii) Redtech Network India Private Limited		528,974	528,974	Unquoted	Fully Paid up			Cost 100,000,000 100,000,000
iii) Usha Martin Education Private Limited Subsidiary		550,000	550,000	Unquoted	Fully Paid up	100	100	Cost 5,500,000 5,500,000

Aggregate Amount of Unquoted Investment

160,500,000 160,500,000

NOTE : 10- Long Term Loans and Advances

Security Deposits (Unsecured considered good unless otherwise stated)
Considered Good
Other Loans and Advances (Recoverable in cash or in kind or for value to be received)
Prepaid expenses

1,620,535 6,293,935
1,286,250 1,196,909

2,906,785 7,490,844

NOTE : 11- Other Non-Current Assets

Fixed Deposit with Bank
(with IDBI Bank Ltd. for availing Working Capital Facility)
Gratuity (Funded with LIC of India)

649,720 601,842

1,494,647 1,426,799

2,144,367 2,028,641

NOTE : 12- Trade Receivable

(Unsecured considered good unless otherwise stated)

Outstanding for a period exceeding six months

Considered Good

1,557,355 510,453

Considered Doubtful

- -

1,557,355 510,453

Provision for Doubtful receivables

- -

1,557,355 510,453

Other Receivables

Considered Good

33,720,551 32,607,559

Considered Doubtful

- -

33,720,551 32,607,559

35,277,906 33,118,012

Notes forming part of Balance Sheet

(Amount in Rs.)

	As at 31.03.2014	As at 31.03.2013
NOTE : 13- Cash and Cash Equivalents		
Cash on Hand	82,763	18,471
Balances with Banks	1,923,639	1,951,735
Overdraft Account (For Security refer Point No. 2 of Note- 20)	-	472,428
Fixed Deposit with Bank (with IDBI Bank Ltd. for availing Working Capital Facility)	649,720	601,842
Less: Non Current portion transferred to Other Non-Current Assets (Ref Note no. 11)	649,720	601,842
	<u>2,006,402</u>	<u>2,442,634</u>

NOTE : 14- Short Term Loans and Advances

Other Loans and Advances (Recoverable in Cash or in kind or for value to be received)		
Advance Payment of Taxes	15,505,149	12,829,747
Advance against supplies of Goods and Services	233,384	287,322
Prepaid Expenses	1,401,953	1,593,956
Advance /Loans to Employees	83,922	245,825
	<u>17,224,408</u>	<u>14,956,850</u>

Notes forming part of Statement of Profit and Loss

	For the Year Ended 31.3.2014	For the Year Ended 31.3.2013
NOTE : 15- Revenue from Operations		
Income from Learning Business (Tax deducted at Source Rs. 2,461,666/- Previous Year. Rs. 1,863,600/-)	55,831,171	119,255,242
NOTE : 16- Other Income	<u>55,831,171</u>	<u>119,255,242</u>
Interest Income on		
Bank (Tax deducted at Source Rs. 5,320/- Previous Year. Rs. 9,282/-)	53,198	139,465
Others	89,683	-
Liabilities no longer required written back	300,676	533,211
Income on Planned Assets (Gratuity)	<u>148,978</u>	<u>-</u>
	<u>592,535</u>	<u>672,676</u>

Notes forming part of Statement of Profit and Loss

(Amount in Rs.)

	For the Year Ended 31.3.2014	For the Year Ended 31.3.2013
NOTE : 17- Employee Benefit expense		
Salaries and Bonus	17,651,604	36,395,134
Contribution to Provident Fund and other Funds	1,094,821	2,015,018
Staff Welfare Expenses	175,569	380,117
	18,921,994	38,790,269
NOTE : 18- Finance Costs		
(No Borrowing Cost has been Capitalized during the year)		
Interest on Working Capital Loan from Bank	336,369	316,543
Other Borrowing Cost	984,769	787,126
Others	21,279	-
	1,342,417	1,103,669
NOTE : 19- Operating and Administrative Expenses		
Travelling and Conveyance	951,724	4,330,806
Communication	1,049,537	1,437,881
Power	1,916,186	3,695,481
Maintenance expenses	3,184,761	7,035,111
Rent (including Lease Rent)	5,986,326	7,013,006
Insurance	370,763	775,025
Computer Consumables	277,233	633,687
Professional and Consultancy charges	13,342,106	17,467,943
Legal & Secreterial	643,861	750,310
Marketing and Advertisement	1,562,640	13,144,854
Business Development	6,370	50,837
Printing and Stationery	1,219,973	1,246,963
Brokerage/ Commission	90,000	541,000
Hire charges	2,644,424	3,420,765
Recruitment expenses	7,593	50,900
Registration and Courseware	1,799,243	1,095,509
Directors Meeting Fees	72,000	78,000
Auditors' Remuneration		
For Statutory Audit	100,000	100,000
For Tax Audit	25,000	25,000
Rates and Taxes	2,500	2,400,177
Loss on discard of Fixed Assets	2,121,076	2,358,630
Bank Charges	106,082	285,422
Foreign Exchange Fluctuation Loss (Net)	457	99,891
Bad Debts/Sundry Balances written off	389,553	52,470
Miscellaneous Expenses	1,075,027	1,234,036
	38,944,435	69,323,704

Note 20 : Significant Accounting Policies and Notes on Accounts for the year ended 31st March, 2014

1 SIGNIFICANT ACCOUNTING POLICIES

a) Basis of Preparation of Financial Statement

The Company generally follows mercantile system of accounting unless otherwise stated and recognizes income and expenditure on accrual basis except those with significant uncertainties. The accounts have been prepared in accordance with historical cost convention method.

b) Fixed Assets and Depreciation

Fixed assets comprising both tangible and intangible items are stated at cost less depreciation. The Company capitalizes all costs relating to acquisition of fixed assets. Cost of Software expected to be used on long-term basis is capitalized.

Depreciation (including amortization) on fixed assets is provided using straight-line method (SLM) at the rates prescribed in schedule XIV of the Companies Act 1956, other than Computer & Computer Software which are depreciated under SLM over a period of 3 years. Laptops provided to students are depreciated on SLM basis over a period of 3 or 2 years as the case may be depending on the duration of course undertaken by the students.

Further individual assets costing less than Rupees Five Thousands are depreciated in full in the year of purchase. Depreciation on additions and deletions to fixed assets is provided on a pro-rata basis.

c) Investments

Long-term investments are valued at their acquisition cost. Any decline in the value of the said investment, other than a temporary decline, is recognized and charged to the Statement of Profit and Loss.

Current Investments are stated at lower of cost or fair value.

d) Revenue Recognition

Revenue from training is recognized over the period of the course program. Revenue from operations is accounted for net of Service Tax.

e) Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

f) Current and Non Current assets and liabilities

An asset or liability is classified as current when it satisfies any of the following criteria

- (i) It is expected to be realized / settled, or is intended for sale or consumption, in the Company's normal operating cycle:
- (ii) It is held primarily for the purpose of being traded:
- (iii) It is expected to be realized / due to be settled within twelve months after the reporting date: or
- (iv) It is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date or
- (v) The Company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date

g) Foreign Currency Transactions

Transactions in foreign currency are accounted for at the rates prevailing on the date of the transaction. Monetary assets and liabilities in foreign currencies at the year-end are restated at the exchange rates prevailing on that date. Gain/loss arising out of exchange fluctuation on settlement or such restatement are accounted for in the Statement of Profit and Loss, except to the extent these relate to acquisition of fixed assets, in which case these are adjusted to the carrying value of the related fixed assets.

h) Leases

Operating Leases- Rentals are expensed with reference to lease terms and other considerations.

i) Employee Benefits

- (i) Contribution to employee provident fund is charged to revenue on a monthly basis
- (ii) Liability for retrial, gratuity and un-availed earned leave is provided for based on an independent actuarial valuation report as per the requirements of Accounting Standard - 15 (revised) on "Employee Benefits".
- (iii) Employee benefits of short-term nature are recognized as expense as and when it accrues. Long term employee benefits (e.g. long-service leave) and post employments benefits (e.g. gratuity), both funded and unfunded, are recognized as expense based on actuarial valuation.

j) Taxation

Current Tax in respect of taxable income of the year is provided for based on applicable tax rates and laws.

Deferred tax is recognized subject to the consideration of prudence in respect of deferred tax assets, on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods and is measured using tax rates and laws that have been enacted or substantively enacted by the Balance Sheet date. Deferred tax assets / liabilities are reviewed at each Balance Sheet date.

k) Borrowing Cost

Borrowing cost attributable to the acquisition and contribution of qualifying assets are added to the cost up to date when such assets are ready for their intended use. Other borrowing costs are recognized as expense in the period in which these are incurred.

l) Contingencies

Contingencies, which can be reasonably ascertained, are provided for if, in the opinion of the Company, there is a probability that the future outcome may be materially adverse to the Company.

m) Prior Period and Extra Ordinary Items and Changes in Accounting Policies

Prior Period and Extra Ordinary Items and Changes in Accounting Policies having material impact on the financial affairs of the Company are disclosed.

2 Foreign Currency Earnings & Outgo:
a) Expenditure in foreign currency :

	2013-14 (Rs.)	2012-13 (Rs.)
Listing Fees	213,650	181,141
Foreign Travel	-	703,386
Consultancy	-	53,209

b) Earnings in foreign currency :

	2013-14 (Rs.)	2012-13 (Rs.)
Reimbursement of Expenses against services for setting of Education Centre /Income from Research report on Education	-	10,535,253

3) Related Party Disclosures Pursuant to Accounting Standard 18 issued by The Institute of Chartered Accountants of India.

i) **Related Parties**

Name	Relationship
Usha Breco Realty Limited.	Substantial interest in voting power of the entity.
Usha Martin Limited.	- do -
Usha Martin Education Private Limited	- do -
Usha Breco Limited	- do -
Redtech Network India Private Limited	- do -
Debjit Bhattacharya (Whole-time Director)	Key Managerial Personnel

ii) Particulars of Transactions during the year ended 31st March, 2014

Particulars	Subsidiaries and Associates (Rs.)	Key Management Personnel (Rs.)
Rent Paid (including lease Rent)	1,569,000 684,750	- -
Directors' Remuneration	- -	1,647,156 1,489,346
Income from Training	5,500,000 7,800,000	- -
Balances outstanding at the year end	Nil	
Investment in Equity and Preference Shares	Refer Note No. 9 to Accounts -do-	

Figures in normal font relate to previous year

4) **Computation of Earning Per Equity Share (Basic and Diluted)**

	For the year ended 31st March, 2014	For the year ended 31st March, 2013
(I) Basic		
(a) (i) Number of Equity Shares at the beginning of the year	26,415,811	26,415,811
(ii) Number of Equity Shares at the end of the year	26,415,811	26,415,811
(iii) Weighted average number of Equity Shares outstanding during the year	26,415,811	26,415,811
(iv) Face Value of each Equity Share- Re.	1	1
(b) Profit/(Loss) after tax attributable to Equity Shareholders- Net Profit/(Loss) after Taxation	(5,555,961)	3,477,575
Basic Earnings per Share [(b)/(a)(iii)]- Re.	(0.21)	0.13
(II) Diluted		
(a) Diluted Potential Equity Shares	-	-
(b) Diluted Earnings per Share [(b)/(a)(iii)]- Re.	(0.21)	0.13

5) Minimum Managerial Remuneration paid/payable

	2013-14		2012-13	
	Rs.	Rs.	Rs.	Rs.
(a) Wholtime Director's Remuneration:				
Salary	546,756		491,756	
Contribution to Provident Fund	65,611		59,016	
Contribution to Gratuity and Superannuation	26,249		24,472	
Other Benefits (actual and/or estimated)	1,008,540	1,647,156	914,102	1,489,346
(b) Other Directors				
Directors' Sitting Fees		72,000		78,000
		<u>1,719,156</u>		<u>1,567,346</u>

6) The Company has unabsorbed depreciation and carried forward losses available for set off under the Income-tax Act, 1961. However, in view of inability to assess future taxable income, the extent of net deferred tax assets which may be adjusted in the subsequent years, is not ascertainable with virtual certainty at this stage and accordingly the same has not been recognized in the accounts on prudent basis.

7) The Company has no amounts due to suppliers under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED) as at 31.03.2014. The disclosure as required under the said Act as under:

a) Principal amount due to suppliers under MSMED Act	Nil
b) Interest due to suppliers as above	Nil
c) Any payment made to suppliers beyond appointed date (under Section 16 of the Act)	Nil
d) Interest due and payable to suppliers under MSMED Act	Nil
e) Interest accrued and remaining unpaid as at 31.03.2014	Nil
f) Interest remaining due and payable as per Section 23 of the Act	Nil

8) Defined Benefit Plans / Long Term Compensated Absences - as per Actuarial Valuations as on March 31, 2014 and recognized in the financial statements in respect of Employee Benefit Schemes.

(Amount in Rupees)

1	Components Employer Expense	Gratuity Funded	Leave Encashment Unfunded
1	Current Service Cost	145,284 269,730	86,291 99,165
2	Interest Cost	73,361 45,448	31,338 21,024
3	Expected Return on Plan Assets	(118,323) (29,034)	- -
4	Curtailment Cost / (Credit)	-	-
5	Settlement Cost / (Credit)	-	-
6	Past Service Cost	-	-
7	Actuarial Losses / (Gains)	(326,317) (112,827)	168,162 18,966
8	Total expense recognized in the Statement of Profit & Loss	(225,995) 173,317	285,791 139,155

(Amount in Rs.)

	Gratuity Funded	Leave Encashment Unfunded
II Actuarial Returns for the period ended 31st March, 2014	-	-
III Net Asset / (Liability) recognized in Balance Sheet as at 31st March , 2014		
1 Present Value of Defined Benefit Obligation	604,742 815,123	269,202 348,204
2 Fair Value on Plan Assets	1,494,647 1,479,033	- -
3 Status [Surplus/(Deficit)]	889,905 663,910	(269,202) (348,204)
4 Unrecognised Past Service Cost	- -	- -
5 Net Asset/(Liability) recognized in Balance Sheet	889,905 663,910	(269,202) (348,204)

IV Change in Defined Benefit Obligations (DBO) during the year ended 31st March , 2014	Gratuity Funded	Leave Encashment Unfunded
1 Present Value of DBO at the Beginning of Period	815,123 550,888	348,204 254,837
2 Current Service Cost	145,284 269,730	86,291 99,165
3 Interest Cost	73,361 45,448	31,338 21,024
4 Curtailment Cost / (Credit)	- -	- -
5 Settlement Cost / (Credit)	- -	- -
6 Plan Amendments	- -	- -
7 Acquisitions	- -	- -
8 Actuarial (Gains)/Losses	(347,896) (50,943)	168,162 18,966
9 Benefits Paid	(81,130) -	(364,793) (45,788)
10 Present Value of DBO at the End of Period	604,742 815,123	285,791 348,204

	Gratuity Funded	Leave Encashment Unfunded
V Change in Fair Value of Assets during the year ended 31st March, 2014		
1 Plan Assets at the Beginning of Period	1,479,033 362,921	- -
2 Acquisition Adjustment	- -	- -
3 Expected Return on Plan Assets	118,323 29,034	- -
4 Actuarial Gains/(Losses)	(21,579) 61,884	- -
5 Actual Company Contribution	- 1,025,194	364,973 45,788
6 Benefits Paid	(81,130) -	(364,793) (45,788)
7 Present Value of DBO at the End of Period	1,494,647 1,479,033	- -

VI Actuarial Assumptions		
1 Discount Rate (%)	9.00%	9.00%
2 Expected Return on Plan Assets (%)	8.00%	-
The estimates of future salary increases, considered in actuarial valuations take account of inflation, seniority, promotion and other relevant factors such as supply and demand factors in the employment market.		

Figures in normal font relate to previous year

- 9) Other income includes Prior period income of Rs. 1,41,917/- towards interest on income tax refund and planned assets.
- 10) Balances of Sundry Debtors, Sundry Creditors and Loans and Advances (Dr. & Cr.) are subject to confirmation from the respective parties.
- 11) Previous year figures have been regrouped / rearranged wherever necessary.

(S. S. Gupta)

Proprietor

Membership No. 17897

For and on behalf of

S.SWARUP & CO.

Chartered Accountants

Firm Registration No. 310089E

Place : Kolkata

Dated : 28th May, 2014

On behalf of the Board

Prashant Jhawar

Chairman

Debjit Bhattacharya

Whole-time Director

Dr. R. N. Chakraborty

Company Secretary

Cash Flow Statement for the Year ended 31st March, 2014

	Rs.	For the year ended 31st March, 2014 Rs.	Rs.	For the year ended 31st March, 2013 Rs.
A. Cash flow from Operating Activities :				
Net Profit/(Loss) before Taxation		(5,555,961)		4,302,575
Adjustments for :				
Depreciation	2,770,821		6,407,701	
Profit/Loss on Sale of Fixed Assets	2,121,076		2,358,630	
Interest Income	(291,859)		(139,465)	
Finance costs	1,342,417		1,103,669	
Provisions/Liabilities no longer required written back	(300,676)		(533,211)	
Provision for Gratuity/Leave Encashment	59,796		312,472	
Bad Debts / Sundry balances written off	389,553		52,470	
Unrealised Foreign Exchange (Gain)/Loss (net)	457	6,091,585	99,891	9,662,157
Operating profit before Working Capital changes		535,624		13,964,732
(Increase)/Decrease of Trade and other receivables	2,326,273		(19,715,231)	
Increase/(Decrease) of Current Liabilities and Other Provisions	(10,278,436)		11,667,593	
		(7,952,163)		(8,047,638)
Cash generated from/(used in) Operations		(7,416,539)		5,917,094
Direct taxes (paid)/refund (Net)		(2,744,374)		(1,917,357)
Net Cash from/(used in) Operating Activities		(10,160,913)		3,999,737
B. Cash flow from Investing Activities :				
Purchase of Fixed Assets	(301,872)		(3,411,369)	
Proceeds from Sale of Assets	622,135		-	
Interest received from Bank/Others	291,859		80,565	
Net cash used in Investing Activities		612,122		(3,330,804)
C. Cash flow from Financing Activities :				
Finance costs	(1,137,563)		(1,103,669)	
Short Term Borrowings	10,250,122		-	
Net Cash from Financing Activities		9,112,559		(1,103,669)
Net increase/(Decrease) in cash and cash equivalents		(436,232)		(434,736)
Cash and Cash Equivalents at the beginning of the year [Refer Note 13 to Accounts]		2,442,634		2,877,370
Cash and Cash Equivalents at the end of the year [Refer Note 13 to Accounts]		2,006,402		2,442,634
		(436,232)		(434,736)

Notes :

1. The above Cash Flow Statement has been prepared under the Indirect method as set out in the Accounting Standard - 3 on Cash Flow Statement issued by the Institute of Chartered Accountants of India.
2. Notes referred to above form an integral part of the Cash Flow Statement.
3. Previous year's figures have been regrouped / rearranged wherever necessary.

This is the Cash Flow Statement referred to in our report of even date.

(S. S. Gupta)

Proprietor

Membership No. 17897

For and on behalf of

S. SWARUP & CO.

Chartered Accountants

Firm Registration No. 310089E

Place : Kolkata

Dated : 28th May, 2014

On behalf of the Board

Prashant Jhawar

Chairman

Debjit Bhattacharya

Whole-time Director

Dr. R. N. Chakraborty

Company Secretary



Auditors' Certificate on compliance of conditions of Corporate Governance

To,
The Members,
Usha Martin Education & Solutions Limited

We have reviewed the compliance of conditions of Corporate Governance by Usha Martin Education & Solutions Limited, for the year ended March 31, 2014, as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchange(s) in India.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Agreements; through the Company's established risk assessment and minimization procedures (together with internal control system for financial reporting) are in the process of being formalized/updated. We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

S. Swarup & Co.
Chartered Accountants
S. S. Gupta
(Proprietor)
Membership No. 017897

Place : Kolkata
Date: 28th May, 2014

CEO/CFO Certification CEO/CFO Certification in terms of Clause 49 of the Equity Listing Agreement

To
The Board of Directors
Usha Martin Education & Solutions Limited

In pursuance to Clause 49 of the Equity Listing Agreement with various Stock Exchanges, I hereby certify as under with regard to the Annual Audited Accounts of the Company for the financial year ended 31st March, 2014, including the Schedules and notes forming part thereof, as well as the Cash Flow Statement for the financial year ended as on that date:

- a. that the financial statements and the cash flow statement for the year have been reviewed and that to the best of my knowledge and belief :
 - i. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - ii. these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b. that there are, to the best of my knowledge and belief, no transactions entered into by the company during the year which is fraudulent, illegal or violative of the company's code of conduct.
- c. that I accept responsibility for establishing and maintaining internal controls for financial reporting and that I have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and they have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which I am aware of and the steps I have taken or propose to take to rectify these deficiencies.
- d. that I have indicated to the auditors and the Audit committee
 - i. significant changes in internal control over financial reporting during the year;
 - ii. significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - iii. instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

Place: Kolkata
Date: 28th May, 2014

Debjit Bhattacharya
Whole-time Director

Independent Auditor's Report

To the Board of Directors of USHA MARTIN EDUCATION & SOLUTIONS LIMITED

Report on the Financial Statements

We have audited the accompanying consolidated financial statements of **USHA MARTIN EDUCATION & SOLUTIONS LIMITED and its subsidiaries**, which comprises the balance sheet as at 31st March 2014, the Statement of Profit and Loss and Cash Flow of the Company for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the financial position and financial performance of the Company in accordance with the Accounting Standards notified under the Companies Act, 1956 "the Act" read with the General Circular 15/2013 dated 13th September 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013 and in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (i) in the case of the Consolidated Balance Sheet, of the state of affairs of the Company as at 31st March, 2014;
- (ii) in the case of the Consolidated Statement of Profit and Loss, of the Loss for the year ended on that date; and
- (iii) in the case of Consolidated Cash Flow Statement, of cash flows for the year ended on that date.

Place : Kolkata
Date : 28-05-2014

S. Swarup & Co.
Chartered Accountants
Firm Registration No. 310089E
Membership No. 17897
S. S. Gupta
(Proprietor)

Balance Sheet as at 31st March, 2014

Particulars	Note no.	As at 31.03.2014	(Amount Rs.) As at 31.03.2013
I EQUITY AND LIABILITIES			
1) Shareholders' Funds			
(a) Share Capital	1	26,415,811	26,415,811
(b) Reserves and Surplus	2	186,805,265	189,160,729
2) Non - Current Liabilities			
(a) Long Term Provisions	3	809,905	1,471,772
3) Current Liabilities			
(a) Short Term Borrowings	4	10,250,122	-
(b) Trade Payables	5	8,335,834	23,172,381
(c) Other Current Liabilities	6	9,889,743	11,305,811
(d) Short Term Provisions	7	7,830,599	7,899,185
TOTAL		250,337,279	259,425,689
II ASSETS			
1) Non - Current Assets			
(a) Fixed Assets	8		
(i) Tangible Assets		25,961,813	36,545,715
(ii) Intangible Assets		33,973	1,111,600
(b) Non-Current Investments	9	155,000,000	155,000,000
(c) Long Term Loans and Advances	10	3,109,366	7,490,844
(d) Other Non- Current Assets	11	10,125,897	2,568,506
2) Current Assets			
(a) Trade Receivables	12	35,277,906	35,878,743
(b) Cash and Cash Equivalents	13	2,071,072	3,019,671
(c) Short Term Loans and Advances	14	18,424,315	17,477,674
(d) Other Current Assets	15	332,937	332,936
TOTAL		250,337,279	259,425,689
Significant Accounting Policies and Notes on Accounts	21		

This is the Balance sheet referred to in our report of even date

(S. S. Gupta)

Proprietor

Membership No. 17897

For and on behalf of

S.SWARUP & CO.

Chartered Accountants

Firm Registration No. 310089E

Place : Kolkata

Dated : 28th May, 2014

The notes referred to above form an integral part of Balance Sheet

On behalf of the Board

Prashant Jhawar

Chairman

Debjit Bhattacharya Whole-time Director

Dr. R. N. Chakraborty Company Secretary

Consolidated Statement of Profit and Loss for the year ended 31st March, 2014

Particulars	Note no.	(Amount Rs.)	
		For the Year Ended 31.03.2014	For the Year Ended 31.03.2013
I Revenue			
Revenue from Operations	16	61,945,425	155,055,242
Other Income	17	4,302,766	1,043,619
II Total Revenue		66,248,191	156,098,861
III Expenses			
Employee Benefit Expense	18	21,591,487	45,653,118
Finance Costs	19	1,342,417	1,103,669
Depreciation and Amortization Expense		2,935,972	7,247,833
Operating and Administrative Expenses	20	42,230,631	97,274,701
IV Total Expenses		68,100,507	151,279,321
V Profit before Tax		(1,852,316)	4,819,540
VI Tax Expense:			
Current Tax		503,148	925,000
VII Profit/(Loss) after tax		(2,355,464)	3,894,540
Earnings per Equity Share:			
(1) Basic		(0.09)	0.15
(2) Diluted		(0.09)	0.15

Significant Accounting Policies and Notes on Accounts 21

This is the Consolidated Statement of Profit and Loss referred to in our report of even date

The notes referred to above form an integral part of Consolidated Statement of Profit and Loss

(S. S. Gupta)

Proprietor

Membership No. 17897

For and on behalf of

S. SWARUP & CO.

Chartered Accountants

Firm Registration No. 310089E

Place : Kolkata

Dated : 28th May, 2014

On behalf of the Board

Prashant Jhawar

Chairman

Debjit Bhattacharya

Whole-time Director

Dr. R. N. Chakraborty

Company Secretary

Notes forming part of Consolidated Balance Sheet

(Amount in Rs.)

NOTE : 1 - SHARE CAPITAL

	As at 31.03.2014	As at 31.03.2013
a) Authorised		
200,000,000 Equity Shares of Re. 1/- each (Previous year 200,000,000 Equity Shares of Re. 1/- each)	200,000,000	200,000,000
1,000,000 10.75% Cumulative Redeemable Preference Shares of Rs 50/- each	50,000,000	50,000,000
	250,000,000	250,000,000
 b) Issued, Subscribed and Paid-up		
26,415,811 Equity Shares of Re. 1/- each (Previous year 26,415,811 Equity Shares of Re. 1 each)	26,415,811	26,415,811
	26,415,811	26,415,811

Note:

Paid up capital includes 26,414,411 Equity Shares issued as fully paid-up in terms of the Scheme of Demerger approved by the Hon'ble Calcutta High Court.

- c) There has been no Movement in number of shares outstanding at the beginning and at the end of reporting period.
- d) The Company has only one class of issued shares i.e. ordinary equity shares having par value of Re. 1 per share. Each holder of ordinary shares is entitled to one vote per share and equal right for dividend. No preference and/or restrictions on distribution of dividend and repayment of capital is attached to the above shares.
- e) Usha Martin Education Private Limited is the only subsidiary of the Company and it is not holding any shares in the Company
- f) Shares in the Company held by each shareholder holding more than 5% as on balance sheet date

Name of the shareholders	No. of Equity Shares as on 31.03.2014	% of Equity Shares as on 31.03.2014	No-of Equity Shares as on 31.03.2013	% of Equity Shares as on 31.03.2013
UMIL Share & Stock Broking Services Ltd	3,075,127	11.64	3,075,127	11.64
Peterhouse Investment India Limited	2,968,718	11.24	2,968,718	11.24
Peterhouse Investment Limited	2,388,291	9.04	2,388,291	9.04
Prajeev Investments Limited	2,057,610	7.79	2,057,610	7.79
Deutsche Bank Trust Company Americas	1,799,455	6.81	1,799,455	6.81

- g) There are no shares reserved for issue under option and contracts /commitments for sale of shares /disinvestment as at the Balance Sheet date
- h) i) No shares have been allotted or has been bought back by the Company during the period of five years preceding the date as at which the Balance Sheet is prepared.
 ii) No convertible securities has been issued by the Company during the year.
 iii) No calls are unpaid by any Director and Officer of the Company during the year.

NOTE : 2- Reserve and Surplus**Securities Premium Account**

As per last Account	120,249	120,249
	<u>120,249</u>	<u>120,249</u>
 General Reserve Account (see note below)		
As per last Balance Sheet	189,040,480	185,145,940
Add: Transfer from Statement of Profit and Loss	(2,355,464)	3,894,540
	<u>186,685,016</u>	<u>189,040,480</u>
	<u>186,805,265</u>	<u>189,160,729</u>

Note: General Reserves are free reserve or undistributed profits and created out of appropriation of profits. The reserve is created based on the financial policy of the Company and discretion of the management. The reserve can be utilized for any general purpose of the business which may include, meeting future liability or loss, strengthening the financial position of the business/ expansion of business etc.

NOTE : 3- Long Term Provisions

Provision for Employee benefit		
- Gratuity (Funded)	551,486	1,025,617
- Leave Encashment (Un-funded)	258,419	446,155
	<u>809,905</u>	<u>1,471,772</u>

NOTE : 4- Short Term Borrowings**Secured:**

IDBI Overdraft Account	3,750,122	-
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(Secured against hypothecation of current and movable fixed assets, both present and future and ranking pari passu with the existing lenders for their loans. Also collaterally secured by Escrow account and lien on Fixed Deposit together with future interest)

Unsecured:

Loans from Corporate Bodies	6,500,000	-
	<u>10,250,122</u>	<u>-</u>

NOTE : 1- SHARE CAPITAL	(Amount in Rs.)	
	As at 31.03.2014	As at 31.03.2013
NOTE : 5- Trade Payables		
For Supplies / Services	2,493,835	13,672,613
Accrued Expenses	5,841,999	9,499,768
	8,335,834	23,172,381
	8,335,834	23,172,381
 NOTE : 6- Other Current Liabilities		
Advance Received from Customers	252,395	143,500
Other Payables		
Statutory Dues	7,158,184	5,262,506
Interest on Unsecured Loan	204,854	-
Capital Goods	144,296	834,278
Employees related liability	2,130,014	5,065,527
	9,889,743	11,305,811
	9,889,743	11,305,811
 NOTE : 7- Short Term Provisions		
Provisions for Taxation	7,766,560	7,835,532
Provision for Employee benefit		
- Gratuity (Funded)	53,256	47,598
- Leave Encashment (Un-funded)	10,783	16,055
	7,830,599	7,899,185
	7,830,599	7,899,185

Notes forming part of Consolidated Balance Sheet

Note -8

Fixed Assets (Refer point no. 2(b) of Note 21)

(Amount in Rs.)

Description	GROSS BLOCK			DEPRECIATION				NET BLOCK		
	Balance as at 31st March, 2013	Additions	Sales/ Adjustments during the year	Balance as at 31st March, 2014	As at 31st March, 2013	Depreciation Charges for the year	Sales/ Adjustments during the year	Balance as at 31st March, 2014	Balance as at 31st March, 2014	Balance as at 31st March, 2013
A. Tangible Assets										
Building	13,472,826	-	-	13,472,826	437,034	219,607	-	656,641	12,816,185	13,035,792
Plant and Equipment	20,975,044	233,851	9,845,954	11,362,941	18,178,430	934,498	8,876,075	10,236,853	1,126,088	2,796,614
Office Equipment	4,977,962	108,645	513,111	4,573,496	1,067,031	282,523	64,060	1,285,494	3,288,002	3,910,931
Furniture & Fixtures	20,684,652	12,300	8,523,330	12,173,622	5,083,900	757,581	1,343,707	4,497,774	7,675,848	15,600,752
Vehicles	1,961,064	-	-	1,961,064	759,438	145,937	-	905,375	1,055,689	1,201,626
	62,071,548	354,796	18,882,395	43,543,949	25,525,833	2,340,146	10,283,842	17,582,137	25,961,812	36,545,715
B. Intangible Assets										
Software	4,547,357	-	965,150	3,582,207	3,435,757	595,827	483,350	3,548,234	33,973	1,111,600
	4,547,357	-	965,150	3,582,207	3,435,757	595,827	483,350	3,548,234	33,973	1,111,600
	66,618,905	354,796	19,847,545	47,126,156	28,961,590	2,935,973	10,767,192	21,130,371	25,995,785	37,657,315
Previous Year	68,684,322	4,923,374	6,988,791	66,618,905	26,343,918	7,247,833	4,630,161	28,961,590	37,657,315	



Notes forming part of Consolidated Balance Sheet

(Amount in Rs.)

As at As at

NOTE : 9- Non Current Investments

31.03.2014 31.03.2013

Investment in Equity Instruments

Name of the Body Corporate	Subsidiary/ Associate/JV/ Controlled Entity/Others	No. of Shares		Quoted/ Unquoted	Partly Paid/Fully Paid	Extent of Holding		Whether Stated at Cost		
		2014	2013			2014	2013		As at	As at
i) Usha Communications Technology Limited, British Virgin Islands		9,396,097	9,396,097	Unquoted	Fully Paid up			Cost	55,000,000	55,000,000
ii) Redtech Network India Private Limited		528,974	528,974	Unquoted	Fully Paid up			Cost	100,000,000	100,000,000
Aggregate Amount of Unquoted Investment									155,000,000	155,000,000

NOTE : 10- Long Term Loans and Advances

Security Deposits (Unsecured considered good unless otherwise stated) Considered Good	1,620,535	6,293,935
MAT Credit Entitlement	2,02,582	-
Other Loans and Advances (Recoverable in cash or in kind or for value to be received) Prepaid expenses	1,286,250	1,196,909
	3,109,366	7,490,844

NOTE : 11- Other Non-Current Assets

Fixed Deposit with Bank (Includes Rs. 6,49,720/- with IDBI Bank Ltd. for availing Working Capital Facility) (Previous year Rs. 6,01,842/-)	8,631,250	601,842
Gratuity (Funded with LIC of India) Pre-Operative Expenses	1,494,647	1,633,727 332,937
	10,125,897	2,568,506

NOTE : 12- Trade Receivables

(Unsecured considered good unless otherwise stated)

Outstanding for a period exceeding six months Considered Good	1,557,355	510,453
Considered Doubtful	-	-
	1,557,355	510,453
Provision for doubtful receivables	-	-
	1,557,355	510,453
Other Receivables Considered Good	33,720,551	35,368,290
Considered Doubtful	-	-
	33,720,551	35,368,290
	35,277,906	35,878,743

Notes forming part of Consolidated Balance Sheet

	As at 31.03.2014	(Amount in Rs.) As at 31.03.2013
NOTE : 13- Cash and Cash Equivalents		
Cash on Hand	83,768	35,833
Balances with Banks	1,987,304	2,511,410
Overdraft Account (For Security refer Point No. 3 of Note- 21)	-	472,428
Fixed Deposit with Bank	649,720	601,842
(with IDBI Bank Ltd. for availing Working Capital Facility)		
Less: Non Current portion transferred to Other Non-Current Assets (Ref Note no. 11)	<u>649,720</u>	<u>601,842</u>
	<u>2,071,072</u>	<u>3,019,671</u>
NOTE : 14- Short Term Loans and Advances		
Other Loans and Advances (Recoverable in Cash or in kind or for value to be received)		
Advance Payment of Taxes	16,439,412	14,256,671
Advance against supplies of Goods and Services	499,028	1,178,708
Prepaid Expenses	1,401,953	1,593,956
Advance /Loans to Employees	83,922	448,339
	<u>18,424,315</u>	<u>17,477,674</u>
NOTE : 15- Other Current Assets		
Pre-Operative Expenses	332,937	332,936
	<u>332,937</u>	<u>332,936</u>

Notes forming part of the Consolidated Statement of Profit and Loss

	For the Year Ended 31.3.2014	Amount in Rs For the Year Ended 31.3.2013
NOTE : 16- Revenue from Operations		
Income from Learning Business (Tax deducted at Source Rs. 2,650,618/- , Previous Year. Rs. 2,719,783/-)	61,945,425	155,055,242
	<u>61,945,425</u>	<u>155,055,242</u>
NOTE : 17- Other Income		
Interest Income on		
Bank (Tax deducted at Source Rs.60,689/- Previous Year. Rs. 19,495/-)	606,890	241,589
Others (Tax deducted at Source Rs. Nil , Previous Year. Rs. Nil)	89,683	169,500
Profit on Sale of Business	3,101,976	-
Liabilities no longer required written back	355,239	626,299
Income on Planned Assets (Gratuity)	148,978	-
Miscellaneous receipts	-	6,231
	<u>4,302,766</u>	<u>1,043,619</u>
NOTE : 18- Employee Benefit expense		
Salaries and Bonus	20,190,785	42,357,551
Contribution to Provident Fund and other Funds	1,189,090	2,686,706
Staff Welfare Expenses	211,612	608,861
	<u>21,591,487</u>	<u>45,653,118</u>
NOTE : 19- Finance Cost		
(No Borrowing Cost has been Capitalized during the year)		
Interest on Working Capital Loan from Bank	336,369	316,543
Other Borrowing Cost	984,769	787,126
Others	21,279	-
	<u>1,342,417</u>	<u>1,103,669</u>
NOTE : 20- Operating and Administrative Expenses		
Travelling and Conveyance	1,341,817	7,971,635
Communication	1,143,972	1,986,460
Power	2,048,046	4,668,388
Maintenance expenses	3,307,932	8,559,176
Rent (including Lease Rent)	5,986,326	7,013,006
Insurance	370,763	775,025
Computer Consumables	398,513	954,907
Co- Curricular Activities	-	930,310
Professional and Consultancy charges	13,662,031	22,441,340
Legal & Secreterial	643,861	750,310
Marketing and Advertisement	1,734,154	20,788,151
Business Development	8,894	67,066
Printing and Stationery	1,275,921	1,619,739
Facility Management Services	532,746	4,872,280
Donation	-	66,000
Brokerage/ Commission	90,000	541,000
Hire charges	2,644,424	3,617,686
Recruitment expenses	7,593	50,900
Registration and Courseware	1,799,243	1,095,509
Directors Meeting Fees	72,000	78,000
Pre-Operative Expenses written Off	332,936	332,936
Auditors' Remuneration		
For Statutory Audit	110,000	115,000
For Tax Audit	35,000	40,000
Rates and Taxes	623,420	2,482,477
Loss on Discard of Fixed Assets	2,175,639	2,358,630
Bank Charges	108,183	293,758
Foreign Exchange Fluctuation Loss (Net)	457	99,891
Bad Debts/Sundry Balances written off	389,553	52,898
Miscellaneous Expenses	1,387,207	2,652,223
	<u>42,230,631</u>	<u>97,274,701</u>

Note 21 : Significant Accounting Policies and Notes on Accounts for the year ended 31st March, 2014

1 SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation

- a) The consolidated Financial Statements have been prepared in accordance with Accounting Standard 21 (AS-21) - 'Consolidated Financial Statements'. These financial statements comprise Usha Martin Education & Solutions Limited and its wholly owned subsidiary Usha Martin Education Private Limited. The financial statements of each of these companies are prepared using uniform accounting policies in accordance with the generally accepted accounting principles in India.
 - b) The Company has one subsidiary Company named Usha Martin Education Private Limited which has been considered in the preparation of these consolidated financial statements.
- 2 The financial statements of the Company are prepared on accrual basis and under historical cost convention. The significant accounting policies adopted by the Company are detailed below:

a) Consolidation

Consolidated Financial Statements relate to Usha Martin Education & Solutions Limited, Parent Company and its subsidiary. The Consolidated Financial Statements are in conformity with the Accounting Standard (AS)-21 on Consolidated Financial Statements, prescribed under the Companies Act, 1956 (the 'Act') and are prepared as set out below:

The financial statements of the Parent Company and its subsidiary have been combined on a line by line basis by adding together book values of like items of assets, liabilities, income and expenses after adjustments/elimination of inter-company balances and transactions.

The paid up share capital of the subsidiary company comprises of Rs.5,500,010/- divided into 550,001 equity shares of Rs 10/- each out of which 550,000 shares are held by the parent company and one share is held by each nominee beneficial interest of which vests in the parent company.

The consolidated financial statements relate to Usha Martin Education & Solutions Limited, Parent Company and its subsidiary, Usha Martin Education Private Limited, which is incorporated in India, and in which the company owns 100% of Equity Shares.

The consolidated financial statements are prepared by adopting uniform accounting policies for like transactions and other events in similar circumstances in all material respect and are presented to the extent possible, in the same manner as the Parent Company's separate financial statements.

As the operation of the subsidiary company started from 1st April 2010, all the expenditure prior to 1st April 2010 has been shown under Pre-operative expenses which will be written off over a period of five years.

b) Fixed Assets and Depreciation

Fixed assets comprising both tangible and intangible items are stated at cost less depreciation. The Company capitalizes all costs relating to acquisition of fixed assets. Cost of Software expected to be used on long-term basis is capitalized.

Depreciation (including amortization) on fixed assets is provided using straight-line method (SLM) at the rates prescribed in schedule XIV of the Companies Act 1956, other than Computer & Computer Software which are depreciated under SLM over a period of 3 years. Laptops provided to students are depreciated on SLM basis over a period of 3 or 2 years as the case may be depending on the duration of course undertaken by the students.

Further individual assets costing less than Rupees Five Thousands are depreciated in full in the year of purchase. Depreciation on additions and deletions to fixed assets is provided on a pro-rata basis.

c) Investments

Long-term investments are valued at their acquisition cost. Any decline in the value of the said investment, other than a temporary decline, is recognized and charged to the Statement of Profit and Loss.

Current Investments are stated at lower of cost or fair value.

d) Revenue Recognition

Revenue from training is recognized over the period of the course program. Revenue from operations is accounted for net of Service Tax.

e) Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

f) Current and Non-Current assets and liabilities

An asset or liability is classified as current when it satisfies any of the following criteria

- (i) It is expected to be realized / settled, or is intended for sale or consumption, in the Company's normal operating cycle:
- (ii) It is held primarily for the purpose of being traded:
- (iii) It is expected to be realized / due to be settled within twelve months after the reporting date: or
- (iv) It is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date or
- (v) The Company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

g) Foreign Currency Transactions

Transactions in foreign currency are accounted for at the rates prevailing on the date of the transaction. Monetary assets and liabilities in foreign currencies at the year-end are restated at the exchange rates prevailing on that date. Gain/loss arising out of exchange fluctuation on settlement or such restatement are accounted for in the Statement of Profit and Loss account, except to the extent these relate to acquisition of fixed assets, in which case these are adjusted to the carrying value of the related fixed assets.

h) Leases

Operating Leases- Rentals are expensed with reference to lease terms and other considerations.

i) Employee Benefits

- (i) Contribution to employee provident fund is charged to revenue on a monthly basis
- (ii) Liability for retrial, gratuity and un-availed earned leave is provided for based on an independent actuarial valuation report as per the requirements of Accounting Standard - 15 (revised) on "Employee Benefits".
- (iii) Employee benefits of short-term nature are recognized as expense as and when it accrues. Long term Employee benefits (e.g. long-service leave) and post employments benefits (e.g. gratuity), both funded and unfunded, are recognized as expense based on actuarial valuation.

j) Taxation

Current Tax in respect of taxable income of the year is provided for based on applicable tax rates and laws.

Deferred tax is recognized subject to the consideration of prudence in respect of deferred tax assets, on timing differences, being the difference between taxable income and accounting income that originate in one period and

are capable of reversal in one or more subsequent periods and is measured using tax rates and laws that have been enacted or substantively enacted by the Balance Sheet date. Deferred tax assets / liabilities are reviewed at each Balance Sheet date.

k) Borrowing Cost

Borrowing cost attributable to the acquisition and contribution of qualifying assets are added to the cost up to date when such assets are ready for their intended use. Other borrowing costs are recognized as expense in the period in which these are incurred.

l) Contingencies

Contingencies, which can be reasonably ascertained, are provided for if, in the opinion of the Company, there is a probability that the future outcome may be materially adverse to the Company.

m) Prior Period and Extra Ordinary Items and Changes in Accounting Policies

Prior Period and Extra Ordinary Items and Changes in Accounting Policies having material impact on the financial affairs of the Company are disclosed.

n) Miscellaneous Expenditure

Pre-operating expenses are to be written off over a period of five years. Accordingly, one-fifth of the Pre-operating expenses as on 31.03.2010 have been charged as expenses during the year.

3) Foreign Currency Earnings & Outgo:

a) Expenditure in foreign currency:

	2013-14 (Rs.)	2012-13 (Rs.)
Listing Fees	213,650	181,141
Foreign Travel	-	703,386
Consultancy	-	53,209

b) Earnings in foreign currency:

	2013-14 (Rs.)	2012-13 (Rs.)
Reimbursement of Expenses against services for setting of Education Centre /Income from Research report on Education	-	10,535,253

4) Related Party Disclosures Pursuant to Accounting Standard 18 issued by The Institute of Chartered Accountants of India.

i) Related Parties

Name	Relationship
Usha Breco Realty Limited.	Substantial interest in voting power of the entity.
Usha Martin Limited.	do -
Usha Martin Education Private Limited.	- do -
Usha Breco Limited	- do -
Redtech Network India Private Limited.	- do -
Rahul Chaudhary	Key Managerial Personnel
Debjit Bhattacharya (Whole-time Director)	Key Managerial Personnel

ii) Particulars of Transactions during the year ended 31st March, 2014

Particulars	Subsidiaries and Associates	Key Management Personnel
	(Rs.)	(Rs.)
Rent Paid (including lease Rent)	1569,000 684,750	- -
Directors' Remuneration	-	1,647,156 1,489,346
Income from Training	5,500,000 7,800,000	- -
Balances outstanding at the year end	Nil	
Investment in Equity and Preference Shares	Refer Note No. 9 to Accounts -do-	

Figures in normal font relate to previous year

5) Computation of Earning Per Equity Share (Basic and Diluted)

	For the year ended 31st March, 2014	For the year ended 31st March, 2013		
(I) Basic				
(a) (i) Number of Equity Shares at the beginning of the year	26,415,811	26,415,811		
(ii) Number of Equity Shares at the end of the year	26,415,811	26,415,811		
(iii) Weighted average number of Equity Shares outstanding during the year	26,415,811	26,415,811		
(iv) Face Value of each Equity Share- Re.	1	1		
(b) Profit/(Loss) after tax attributable to Equity Shareholders- Rs. Net Profit/(Loss) after Taxation	(2,355,464)	3,894,540		
Basic Earning per Share [(b)/(a)(iii)]- Re.	(0.09)	0.15		
(II) Diluted				
(a) Diluted Potential Equity Shares	-	-		
(b) Diluted Earning per Share [(b)/I(a)(iii)]- Re.	(0.09)	0.15		
6) Minimum Managerial Remuneration paid/payable	2013-14	2012-13		
(a) Wholtime Director's Remuneration:				
	Rs.	Rs.	Rs.	Rs.
Salary	546,756		491,756	
Contribution to Provident Fund	65,611		59,016	
Contribution to Gratuity and Superannuation	26,249		24,472	
Other Benefits (actual and/or estimated)	1,008,540	1,647,156	914,102	1,489,346
(b) Other Directors Directors' Sitting Fees		72,000		78,000
		<u>1,719,156</u>		<u>1,567,346</u>

- 7) The Company has unabsorbed depreciation and carried forward losses available for set off under the Income-tax Act, 1961. However, in view of inability to assess future taxable income, the extent of net deferred tax assets which may be adjusted in the subsequent years, is not ascertainable with virtual certainty at this stage and accordingly the same has not been recognized in the accounts on prudent basis.
- 8) The Company has no amounts due to suppliers under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED) as at 31.03.2014. The disclosure as required under the said Act as under:

a) Principal amount due to suppliers under MSMED Act	Nil
b) Interest due to suppliers as above	Nil
c) Any payment made to suppliers beyond appointed date (under Section 16 of the Act)	Nil
d) Interest due and payable to suppliers under MSMED Act	Nil
e) Interest accrued and remaining unpaid as at 31.03.2014	Nil
f) Interest remaining due and payable as per Section 23 of the Act	Nil

- 9) Defined Benefit Plans / Long Term Compensated Absences - as per Actuarial Valuations as on March 31, 2014 and recognized in the financial statements in respect of Employee Benefit Schemes.

(Amount in Rupees)		
I Components Employer Expense	Gratuity Funded	Leave Encashment Unfunded
1 Current Service Cost	145,284 329,236	86,291 121,147
2 Interest Cost	73,361 50,258	31,338 24,229
3 Expected Return on Plan Assets	(118,323) (29,034)	- -
4 Curtailment Cost / (Credit)	- -	- -
5 Settlement Cost / (Credit)	- -	- -
6 Past Service Cost	- -	- -
7 Actuarial Losses / (Gains)	(326,317) 125,814	(168,162) 67,396
8 Total expense recognized in the Statement of Profit & Loss	(225,995) 224,646	285,791 212,772



(Amount in Rs.)

	Gratuity Funded	Leave Encashment Unfunded
II Actuarial Returns for the period ended March 31, 2014	-	-
III Net Asset / (Liability) recognized in Balance Sheet as at March 31, 2014		
1 Present Value of Defined Benefit Obligation	604,742	269,202
	926,575	413,487
2 Fair Value on Plan Assets	1,494,647	-
	1,685,961	-
3 Status [Surplus/(Deficit)]	889,905	(269,202)
	759,386	(413,487)
4 Unrecognised Past Service Cost	-	-
	-	-
5 Net Asset/(Liability) recognized in Balance Sheet	889,905	(269,202)
	759,386	(413,487)

IV Change in Defined Benefit Obligations (DBO) during the year ended March 31, 2014		
1 Present Value of DBO at the Beginning of Period	815,123	348,204
	611,011	294,903
2 Current Service Cost	145,284	86,291
	329,236	121,147
3 Interest Cost	73,361	31,338
	53,258	24,229
4 Curtailment Cost / (Credit)	-	-
	-	-
5 Settlement Cost / (Credit)	-	-
	-	-
6 Plan Amendments	-	-
	-	-
7 Acquisitions	-	-
	-	-
8 Actuarial (Gains)/Losses	(347,896)	168,162
	(63,930)	67,396
9 Benefits Paid	(81,130)	(364,793)
	-	(94,188)
10 Present Value of DBO at the End of Period	604,742	285,791
	926,575	413,487

(Amount in Rs)

		Gratuity Funded	Leave Encashment Unfunded
V	Change in Fair Value of Assets during the year ended March 31, 2014		
1	Plan Assets at the Beginning of Period	1,479,033	-
		362,921	-
2	Acquisition Adjustment	-	-
		-	-
3	Expected Return on Plan Assets	118,323	-
		29,034	-
4	Actuarial Gains/(Losses)	(21,579)	-
		61,884	-
5	Actual Company Contribution	-	364,973
		1,232,122	94,188
6	Benefits Paid	(81,130)	(364,793)
		-	(94,188)
7	Present Value of DBO at the End of Period	1,494,647	-
		1,685,961	-

VI Actuarial Assumptions			
1	Discount Rate (%)	9.00%	9.00%
2	Expected Return on Plan Assets (%)	8.00%	-
The estimates of future salary increases, considered in actuarial valuations take account of inflation, seniority, promotion and other relevant factors such as supply and demand factors in the employment market.			

Figures in normal font relate to previous year

- 10) During the year, the wholly owned subsidiary of the Company, namely Usha Martin Education Private Limited ("UMEPL") has sold off its school management business 'as a going concern' to Usha Breco Education Infrastructure Limited. The sale was done on consideration as the Board of Directors of UMEPL deemed appropriate on the basis of independent valuation undertaken by a firm of Chartered Accountants.
However, UMEPL is continuing to own its 'Usha Martin School' brands and earning license fees by licensing the said brands to Usha Martin Schools.
- 11) Other income includes Prior period income of Rs. 1,41,917/- towards interest on income tax refund and planned assets
- 12) Balances of Sundry Debtors, Sundry Creditors and Loans and Advances (Dr. & Cr.) are subject to confirmation from the respective parties.
- 13) Previous year figures have been regrouped / rearranged wherever necessary.

(S. S. Gupta)

Proprietor

Membership No. 17897

For and on behalf of

S. SWARUP & CO.

Chartered Accountants

Firm Registration No. 310089E

Place : Kolkata

Dated : 28th May, 2014

On behalf of the Board

Prashant Jhawar

Chairman

Debjit Bhattacharya

Whole-time Director

Dr. R. N. Chakraborty

Company Secretary

Consolidated Cash Flow Statement for the Year ended 31st March, 2014

	Rs.	Rs.	For the year ended 31st March, 2014 Rs.	For the year ended 31st March, 2013 Rs.
A. Cash flow from Operating Activities :				
Profit after Non- recurring Items and before Taxation		(1,852,316)		4,819,540
Adjustments for :				
Depreciation	2,935,972		7,247,833	
Profit/Loss on Sale of Fixed Assets	2,175,639		2,358,630	
Profit from sale of Business	(3,101,976)		-	
Interest Income	(845,551)		(411,089)	
Finance costs	1,342,417		1,103,669	
Provisions/Liabilities no longer required written back	(355,239)		(626,299)	
Provision for Gratuity/Leave Encashment	59,796		497,541	
Bad Debts/ Sundry balances written off	389,553		52,898	
Pre-Operative Expenses written-off	332,936		332,936	
Unrealised Foreign Exchange (Gain)/Loss (net)	457	2,934,004	99,891	10,656,010
Operating profit before Working Capital changes		1,081,688		15,475,550
(Increase)/Decrease of Trade and other receivables	(5,733,424)		(22,984,981)	
Increase/(Decrease) of Current Liabilities and Other Provisions	(11,400,079)		13,763,518	
		(17,133,503)		(9,221,463)
Cash generated from operations		(16,051,814)		6,254,087
Direct taxes (paid)/refund (Net)		(2,622,234)		(528,414)
Net Cash Flow from Operating Activities		(18,674,048)		5,725,673
B. Cash flow from Investing Activities :				
Purchase of Fixed Assets	(354,796)		(4,923,374)	
Proceeds from Sale of Business	7,500,000		-	
Proceeds from Sale of Assets	622,135		-	
Interest received from Bank/Others	845,551		352,189	
Net cash used in Investing Activities		8,612,890		(4,571,185)
C. Cash flow from Financing Activities :				
Finance costs	(1,137,563)		(1,103,669)	
Short Term Borrowings	10,250,122		-	
Net Cash used in Financing Activities		9,112,559		(1,103,669)
Net increase in cash and cash equivalents during the year (A+B+C)		(948,599)		50,819
Cash and Cash Equivalents at the beginning of the year [Refer Note- 13 to Accounts]		3,019,671		2,968,852
Cash and Cash Equivalents at the end of the year [Refer Note- 13 to Accounts]		2,071,072		3,019,671
		(948,599)		50,819

Notes:

1. The above Cash Flow Statement has been prepared under the Indirect method as set out in the Accounting Standard - 3 on Cash Flow Statement issued by the Institute of Chartered Accountants of India.
2. Notes referred to above form an integral part of the Cash Flow Statement.
3. Previous year's figures have been regrouped / rearranged wherever necessary.
This is the Cash Flow Statement referred to in our report of even date.

(S. S. Gupta)

 Proprietor
 Membership No.17897
 For and on behalf of

S. SWARUP & CO.

 Chartered Accountants
 Firm Registration No.310089E
 Place : Kolkata
 Dated : 28th May, 2014

On behalf of the Board

Prashant Jawar

Chairman

Debjit Bhattacharya

Whole-time Director

Dr. R. N. Chakraborty

Company Secretary

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